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NEWS SUMMARY

GENERAL

Row over choice of Nigerian leader

Nigeria named its former Finance Minister Alhaji Shehu Shagari as President from October 1, ending 13 years of military rule.

His victory was clinched because of a controversial decision by the Federal Electoral Commission on how the electoral law should be interpreted. The other four contenders for the Presidency said they did not accept the interpretation.

The new President's National Party of Nigeria advocates an open market policy to encourage outside investment in Nigeria. But Alhaji Shagari also said his administration will take a stronger line than the present military government on Rhodesia. Back Page

Last Fastnet yacht traced

The final death toll in the Fastnet race disaster was established at 15 as the last of the missing yachts was located and its eight-man crew found to be safe. But hopes are fading for two crew members of the yacht Bucks Fizz which was in the storm area but not taking part in the race.

As helicopter crews stood down and lifeboats returned to harbour after up to 44 hours' continuous rescue work, Cornish fishermen seeking salvage money took disabled and crewless race yachts in tow.

Young defended

President Carter's acceptance of the resignation of U.S. Ambassador to the UN, Andrew Young, was a "surrender to Zionist-Israeli blackmail," said Zehedi Terzi, Palestine Liberation Organisation representative in New York. Bitter criticism also came from members of America's black community. Back Page

DC-10 waiver

Relatives of the 273 victims of the DC-10 crash in Chicago must waive their rights to receive punitive damages to qualify for a negotiated cash settlement with the manufacturer McDonnell Douglas and owner

New town sales

Environment Secretary Michael Heseltine confirmed that the Government was ready to embark on property sales worth £140m by 21 English New Towns before next April. The sales amount to about a fifth of their revenue-producing assets. Page 6

England in trouble

England are in trouble on the first day of the third Test against India at Headingley. After reaching 53 without loss, England lost four men for five runs and had made 80 for 4 when rain and bad light stopped play.

Air fare threat

British Airways which with other airlines will increase international fares by about 12 per cent on September 1, will have to consider raising them again in the new year because of soaring fuel costs. Page 6

Pay talks fail

The prospect of industrial action by more than 160,000 industrial civil servants emerged after the breakdown of talks on the phasing of this year's wage agreement. Their pay dispute last year disrupted part of Britain's defence system. Back Page

Biko relative held

South African security police detained Mxolisi Mvovo, brother-in-law of black activist Steve Biko, who died in custody.

Briefly . . .

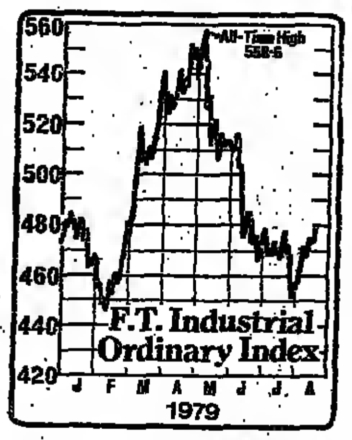
John Diefenbaker, Canada's Prime Minister from 1957 to 1963, died in Ottawa, aged 83. Obituary Page 3

Eight babies were born to a Naples woman and are in incubators.

BUSINESS

Equities up 5.5; Gold down $2

● EQUITIES traded strongly on early speculation about the weight of money poised for investment in Gilts and Wall Street's overnight advance, but gains faded and the FT 30-share index closed 5.5 up at 479.7.



● GILTS trading was moderate with early gains of up to ½ in shorts and up to 1¾ in mediums and longs being reversed. The Government Securities Index was down 0.05 at 74.03.

● GOLD fell $2 to close at $298½ in active trading.

● STERLING fell quite sharply after reaching a high point of $2.2425 to close 1.05 cents down at $2.2220. Its trade-weighted index was 71.0 (71.2). DOLLAR'S index was 84.6 (84.7).

● WALL STREET was down 1.34 at 884.23 before the close.

● TUC branded the Government's new tax and prices index as an attempt to undo the damage caused by the Budget by "fiddling" with the cost of living figures. Back Page

● BRITISH STEEL has circumvented the dispute that closed its £100m ore terminal at Hunterston by shipping its ore to Rotterdam and transferring it to small ships able to use Glasgow docks. Back Page

● CONSUMER spending on durable household goods and cars and motorcycles was at record levels in the early summer, official figures show. Page 6

● NEW LIFE ASSURANCE business was up 22 per cent in the second quarter at £175m compared with £143m in the corresponding period last year. Page 8

● LONDON GOLDHAWK and South of England building societies, with combined assets of £370m, are to merge next year. Page 6

● SPILLERS, the UK's second biggest miller, is preparing to bring forward plans for an increase in the price of flour. Back Page

LABOUR

● POLICEMEN up to the rank of chief superintendent were awarded pay rises of 13.5 per cent in one of the first big public sector deals of the new wage round. Page 8

● UNION negotiators recommended more than 500 offshore catering workers, who have been on strike for three weeks, to return to normal working. Page 6

COMPANIES

● ROYAL INSURANCE reports pre-tax profits for the first half 20 per cent down at £57m, although investment income over the period advanced by more than 6 per cent to £62.6m. Page 16 and Lex

● ULTRAMAR reports record half-yearly results with taxable profits up from £18.14m to £23.8m on sales of £403.9m (£289.9m). Page 16

● TRANSPORT DEVELOPMENT Group reports first-half taxable profits down from £9.8m to £9.56m on turnover of £116.3m (£107.4m). Page 17

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
BPB	160	+ 6
Bakers Hsehld. Sts.	103	+ 13
Barclays Bank	445	+ 10
Beecham	147	+ 4
Blue Circle	284	+ 6
Bowater	170	+ 4
Burton A	274	+ 10
Clifford (C.)	128	+ 10
Elliott (B.)	227	+ 5
Eurotherm Intl.	323	+ 9
Gelfer (A. & J.)	53	+ 4
GRE	246	+ 8
ICL	475	+ 15
Manor National	28½	+ 2
National Carbonisg.	81	+ ½
NatWest Bank	345	+ 9
Northern Foods	124	+ 4
Racal Electronics	470	+ 8
Robertson Foods	155	+ 5
Royal Insurance	355	+ 13
Sotheby P. B.	345	+ 10
Tarmac	183	+ 5
Thermal Syndicate	126	+ 8
Transport Dlpmt.	70	+ 4
Wolverhampton and Dudley	295	+ 5
Bougainville	130	+ 5
Roan Cons. Mines	95	+ 10
Selection Trust	530	+ 16
FALLS:		
Treasy. 14pc 1982	£104⅝	− ⅜
Fertleman (B.)	17	− 2
SEET	72	− 5

Appeal Court tells Revenue to return Rossminster papers

BY DAVID FREUD

The Inland Revenue was ordered by the Court of Appeal yesterday to return all documents seized in dawn raids on premises connected with the Rossminster group of companies last month.

Lord Denning, Master of the Rolls, ruled that the warrants by which the raids to collect evidence on suspected tax fraud were invalid. Lord Justice Goff and Lord Justice Browne, his colleagues on the bench, concurred.

Lord Denning argued that the warrants did not specify the particular fraud suspected. Those raided therefore did not know of what offence they were suspected. That is contrary to practice in criminal law, where a man is entitled to know why he is being arrested.

The Inland Revenue said it would appeal to the Lords. It was given leave to do so.

Lord Denning described the dawn raids of July 13 as a "military-style operation carried out by officers of the Inland Revenue in their war against tax frauds."

More than 70 Revenue officials, accompanied by policemen, searched several premises, including the Mayfair offices of Rossminster and the neighbouring accounting and secretarial company, AJR Financial Services.

The London home of Mr. Ronald Plummer, Rossminster's managing director, was searched, as was the Kent house of Mr. Roy Tucker, an accountant who specialised in tax avoidance schemes that were marketed using the banking and financial services of Rossminster.

In all the premises the officers removed bundles of files and documents, at one stage at the rate of a "file a minute."

An application for a judicial review by the appellants, ruling the Revenue's action illegal, was rejected by the divisional court two weeks ago. That ruling was itself overturned yesterday.

The documents are to be returned immediately. However, Rossminster and the other appellants gave an undertaking that they would be kept at the specified premises until the Lords had delivered judgment.

If the judgment goes against Rossminster, the documents will be returned to the Revenue. A list will be compiled so that the Revenue can check that the undertaking has been properly carried out.

The Revenue undertook not to use any copies of documents that it had made in conducting its investigation until the Lord's judgment. If the Lords confirm the Appeal Court finding, all the copies will be destroyed.

After the judgment, Mr. Tucker said the Revenue had a special interest in himself and Rossminster "because of our involvement in avoidance schemes through which it has lost a lot of money." ... ...

Mr. Plummer said Rossminster had been hurt badly by the action. More than £2½m of banking deposits had been withdrawn by customers.

Also, the Bank of England had said the group's application for a deposit-taking licence under the new Banking Act would be delayed until the matter was cleared up. The group was taking legal advice on whether it should sue for damages.

Judgment: Page 6
Editorial Comment Page 14

Four yards and 6,000 jobs go in shipyard plan

BY GARETH GRIFFITHS, LABOUR STAFF

BRITISH SHIPBUILDERS is to shut four yards and cut its merchant shipbuilding workforce by 10,000 during the next 18 months as part of a plan to reduce the country's shipbuilding capacity.

The four yards are the Robb Caledon; the Scotstun Marine, part of Govan; Cartsdyke yard; and the North Sand yard at Sunderland.

About 1,000 jobs will be cut at the Cammell Laird yard at Birkenhead, Merseyside. Merchant shipping cuts, however, will be cushioned by transferring about 4,000 workers to warship building and offshore work.

Mr. Michael Casey, the chief executive of British Shipbuilders, said yesterday after 10 hours of discussions with the shipbuilding committee of the Confederation of Shipbuilding and Engineering Unions that he hoped most of the net loss of 6,000 jobs would be achieved by voluntary means and natural wastage. He said where possible employees would be offered jobs in other yards.

Mr. John Chalmers, the general secretary of the Amalgamated Society of Boilermakers, said he expected the Government to apply for grants from the European Social Fund and the European Regional Fund.

He said the unions had obtained a "copper-bottomed guarantee" on consultations over achieving the redundancies by voluntary means and that British Shipbuilders had given an undertaking that no enforced redundancies would be made until they had again met the confederation.

The confederation shipyard negotiating committee said it "could not accept the proposals to close yards nor any enforced redundancy in the industry and would report back to a delegate conference of representatives from British Shipbuilders which has been arranged for next Thursday."

The discussions yesterday covered plans for the corporation in finance, ship repair, general engineering and engine building, the need for improved productivity and the employment and social consequences of restructuring. British Shipbuilders emphasised the bleak world-wide order position.

Mr. Casey said no decision had been taken on ship repairing or engine building and there would be further discussions on those two sectors.

The closures are to be introduced by 1981 with the aim of making British Shipbuilders self-financing. The Government has told the corporation its decision on subsequent aid depend on performance.

Last year British Shipbuilders made a trading loss of £49.5m with a production of between 400,000 and 500,000 compensated gross registered tonnes. British Shipbuilders wants to reduce annual output to about 430,000 compensated gross registered tonnes by 1981.

The corporation's team at yesterday's talks included Admiral Sir Anthony Griffin, its chairman, Mr. Casey, and several board members.

Grundig-Philips link discussed

BY JONATHAN CARR IN BONN

GRUNDIG OF West Germany and Philips of Holland are holding talks which could lead to a much closer link between the two electrical companies.

The two are already co-operating in the video cassette recorder field and a machine with a cassette playing-time of eight hours will be presented by Grundig at the Berlin Radio Exhibition later this month.

But Grundig said yesterday that discussions were underway with Philips on a development agreement which might cover other sectors beyond video recorders.

It could not say when this accord might emerge — and declined comment on reports that these intensified contacts might lead to Philips taking a substantial stake in Grundig.

In Eindhoven, Philips too declined to confirm or deny that it might take a stake in Grundig. It was, it said, in discussions with the West German Cartel Office. Until those had been completed no further information could be given.

However, a Philips stake in Grundig is widely felt to be a clear possibility as both companies seek to stem ever-increasing competition, especially from Japan.

Grundig, with a turnover of around DM 3bn (£733m) in the 1978-79 business year, has about a quarter of the West German colour television market. It is also highly active in the video and hi-fi sectors.

But it has not been able to undertake as extensive a research and development programme as either the much larger Dutch concern or the leading Japanese manufacturers.

Grundig is virtually the personal creation of Herr Max Grundig, one of the West German industrialists who became a millionaire from almost nothing in the post-war years.

Herr Grundig, aged 71, continues to exert a dominant influence on the concern. The company is owned 89 per cent by the Max Grundig Foundation (with Herr Grundig as president for life), and the remaining shares are in the hands of the Grundig family.

Basic share capital stands at DM 263m. The value of the company is thought to be around DM 2bn.

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For latest Share Index phone 01-246 8026

Shell profits jump to £1.3bn

By Ray Dafter, Energy Editor

RISING OIL prices helped to boost the profits of the Royal Dutch/Shell Group to £1.3bn in the first half of this year, an increase of almost 240 per cent on the net income in the first six months of 1978.

Stock profits on oil passing through the Shell system accounted for about £400m of the £934m increase in net income. Unlike the majority of international oil corporations, most of the Shell companies follow the first in, first-out method of stock accounting which enhances profits at times of rising oil prices.

The results were also influenced by currency fluctuations. Here Shell made a net gain of £124m in the first half as against a deficit of £191m in the first six months of last year.

Even so Shell reported that, setting aside the effects of stock profits and currency translation gains, its increase in net income for the first half of 1979 over 1978 was still about 23 per cent.

Increases

Much of this improvement came in the second quarter when the net income rose to £710m against £394m last year. Shell pointed out that in the second quarter market prices rose enabling the group to recover more rapidly the crude oil price increases imposed by producing countries.

"In the current environment of substantial increases in crude oil costs, this is essential if the group is to maintain its ability to replace inventories at the higher prices," Shell said. The approximate value of the group's oil stocks, even at their present near-minimum operational levels, was about £2.5bn.

Other contributory factors behind Shell's improved profitability were increased North Sea oil production, greater sales of higher-value oil products and an improvement in chemicals earnings.

The group, which reported first half sales proceeds of £16.2bn (£14.2bn in 1978), invested over £1bn during the January-June period. Shell said that the expenditure continued to be substantially directed towards additional energy projects. Furthermore, over £900m was invested in necessary extra working capital—a reflection of higher crude oil costs.

However, Shell is not expecting any further increase in oil prices before the scheduled meeting of the Organisation of Petroleum Exporting Countries to be held in Caracas in December.

Lex Back Page

Money supply growth rate slackens

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE RATE of growth of the money supply slackened last month and the demand for bank credit eased from the buoyant levels of early summer.

The Bank of England is, however, likely to want evidence of a sustained easing of monetary pressures before considering any reduction in interest rates.

Sterling M3, the broadly defined money supply, which includes cash and bank current and seven-day deposit accounts, grew by 0.8 per cent in the month to mid-July on a seasonally adjusted basis. This compares with a 1.2 per rise the previous month.

The month to mid-July was the first of the new target period to mid-April, 1980, during which the permitted annual rate of increase is 7 to 11 per cent. One month's figures are insufficient for comparison, but over the last three months sterling M3 has increased by 3.4 per cent, which is still above the upper end of the target range.

The main change between the June and July figures is the slower growth of bank lending —up £381m compared with a rise of £1.03bn previously. This was the smallest monthly increase since last September.

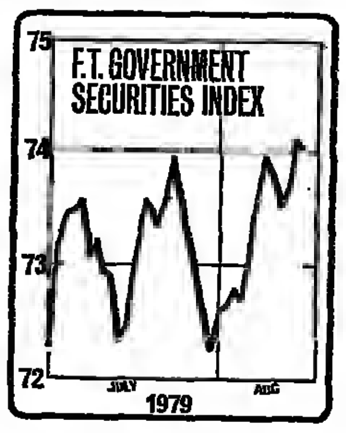
In addition, bank acceptances held outside the banking system, another form of credit, increased by about £150m last month, compared with £300m previously. These credits do not come within the official statistics and provide one way in which banks can avoid the corset restrictions on the growth of their activities. Such acceptances have risen by over £1.1bn since summer 1978.

Covered

The authorities are taking a cautious view so far of this slowdown. Whereas bank lending in June may have been artificially boosted by a high level of consumer spending ahead of the rise in value-added tax, the July figures have been unduly depressed. The major banks report that industry's demand for bank borrowing is still high. The trend may not become clearer for a couple of months.

Borrowing by the public sector remains high but is continuing to be covered by very large sales of government debt, especially of gilt-edged stock.

Central government borrowing last month was £786m, while sales of gilts outside the banking system were £925m. Over the last three months the figures are £2.89bn and £2.62bn respectively, and there have also been sales of other government debt.



The rest of the public sector contributed £113m to the expansion of public sector credit last month, partly because of telephone bill delays resulting from the industrial dispute at the Post Office.

Boosted

Borrowing is again expected to be heavy in the month to mid-September but the Bank has already tied up well over £1.25bn of gilt sales.

This total was boosted yesterday by substantial sales of the short tap—11¾ per cent Exchequer 1984—when dealings started. Brokers believe that at around two-thirds of the £1bn stock has gone.

Indeed all the stock could have been sold yesterday, but the Government Broker refused to sell at less than £30¼. After big sales at this price and slightly higher, an attempt to push up the price failed to produce any demand. Instead, buyers of the stock in its £30 partly paid form on Wednesday took their profits and the stock closed at £30⁵⁄₁₆ after £30⅜.

External pressures are still making only a small impact on the money supply in spite of the strong demand for sterling last month. Although the official reserves rose substantially, there were also further increases in overseas holdings of public sector debt and in overseas sterling deposits. The banks also increased their net foreign currency liabilities.

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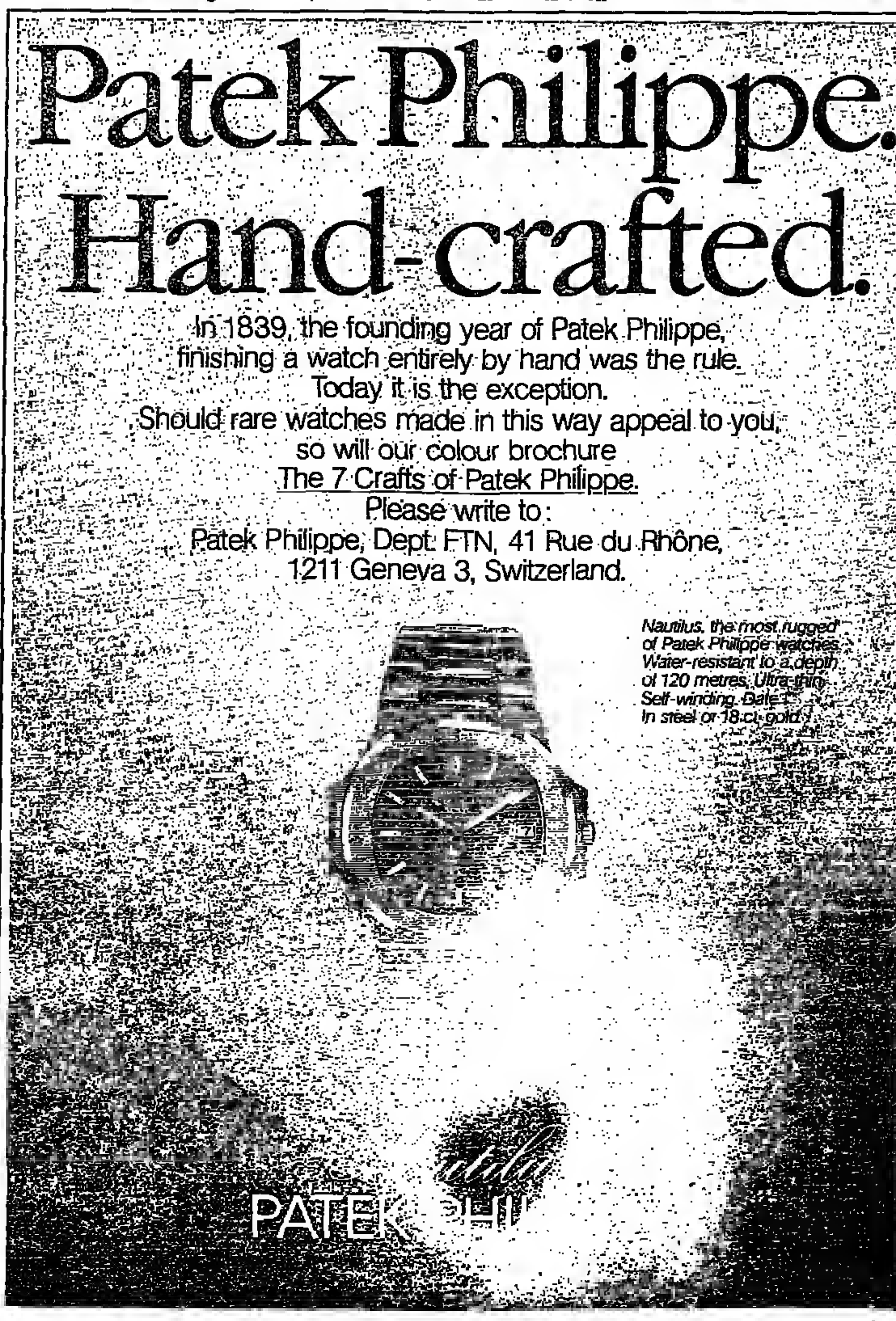
£ in New York

—	Aug. 16	Previous
Spot	$2.2400-2415	$2.2355-2365
1 month	0.71-0.66 dis	0.65-0.60 dis
3 months	1.70-1.65 dis	1.65-1.48 dis
12 months	4.85-4.70 dis	5.00-4.85 dis



Royal Dutch/Shell expects demand for oil to slacken

BY CHARLES BATCHELOR IN AMSTERDAM

ROYAL DUTCH SHELL expects no further rise in oil prices before the December meeting of the Organisation of Petroleum Exporting Countries (OPEC) in Caracas, Mr. Dirk De Bruyne, president of Royal Dutch Petroleum has said.

Shell hopes also that slack consumer demand will result in any price rise then decided being limited, he told a Press meeting.

In the meantime, however, the oil companies must build up their stocks, which have not yet recovered after last winter. Shell now has only 71 days' stocks, the minimum safe operating level.

It would need a further 20m barrels to return to the level of stocks at this time last year — 77 days — but it will be satisfied if it goes into the winter with 74-75 days, according to Mr. Jan Choufoer, a Royal Dutch board member.

Higher energy prices and the effect of national energy savings programmes are expected to depress world demand in the second half of 1979, Mr. De Bruyne said.

Shell expects no problems in rebuilding stocks, but bases this on the assumptions that Saudi Arabia will maintain its recent 1m-barrels-a-day increase in production, that Iran maintains deliveries of 4m barrels a day, and that Kuwait and Nigeria do not cut supplies.

As contracted with Iran earlier this year, Shell received 235,000 b/d in the second quarter of 1979. This has since been reduced to 208,000 b/d, but Shell hopes that the 208,000-barrel level will be kept up in the fourth quarter.

Non-Communist world demand is expected to fall in 1980 to 51.5m b/d, from the estimated 52.3m b/d this year, and actual deliveries of 51.7m b/d in 1978.

The decline in oil product prices, which is now occurring on the spot market, is a welcome development, Mr. De Bruyne said.

Buyers, faced with the prospect of not covering their cost price when they come to sell the products in a few months, will be deterred from driving up prices on the spot market.

'Three wise men' to chair nuclear debate

BY OUR AMSTERDAM CORRESPONDENT

THE NETHERLANDS yesterday announced a plan to appoint "three wise men" to chair a two-year public discussion of nuclear energy.

The three must enjoy the general respect of the community, while expertise on energy generally, and nuclear energy in particular, will be provided by a small group of specialist advisers. The proposals are made in a note to Parliament from the Ministers of Economic and Social Affairs, Health and Town Planning.

The discussion over building further nuclear power stations must allow all opinions to be heard, the letter said. However, the need to secure energy supplies would require a two-year limit on the discussions.

After the Government has published its views on energy in the autumn, a year will be spent gathering views of experts and interested groups. This will be followed by a year of public debate, which should permit a decision in 1982.

The discussion would also include the questions of suitable sites, waste processing and storage, and nuclear proliferation. The Government and Parliament, however, would retain ultimate responsibility for energy policy, the Ministers stressed.

Liner still blocked in Le Havre

BY ROBERT MAUTHNER IN PARIS

RIOT POLICE yesterday forced shipyard workers to evacuate the lock in the port of Le Havre, which they had occupied to prevent the luxury liner Norway, formerly the France, from leaving French waters for a refit in a West German shipyard.

The protesters, members of the Communist-led CGT union, finally withdrew peacefully, after they had been warned by police loudspeakers that they faced forcible eviction.

The Norway, however, is still blocked in Le Havre by the refusal of tug crews to tow her out to sea while the dispute with the shipyard workers continued. The latter are demanding that at least some repairs on the Norway, which is being converted into a cruise ship by its new Norwegian owner, Mr. Knut Klosters, should be carried out in Le Havre.

Mr. Klosters decided to award the refitting contract to Hapag-Lloyd's yard in Bremen, which had submitted a tender £15.2m cheaper than that of its French competitors, and had promised to complete the refit much sooner. Mr. Klosters is now reported to be planning to bring in foreign tugs.

The CGT and the Left-wing opposition parties have exploited the incident to the full in their campaign against the Government's economic policies, which has been fuelled by a sharp rise in prices and unemployment during the summer holiday.

M. Georges Seguy, the CGT leader, said yesterday that his union was not prepared to let the matter drop until its demands had been satisfied. At the same time, M. Seguy announced that the CGT would organise a strike of railway workers on August 22 and a big protest demonstration in Paris on September 5, as a warning to the Government that it must change its economic strategy.

European Commission 'did not overspend'

By Giles Merritt in Brussels

THE EUROPEAN COMMISSION yesterday reacted sharply to disclosures of a probe into its expense account spending by demanding that the controversial report be published in full at the earliest opportunity.

It denied strongly that the sum allocated for representational allowances in 1978 had been overspent by 23 per cent.

In a riposte that took European Parliament officials in Luxembourg by surprise, the Commission called on the Euro-Assembly to make public the analysis of expenses incurred last year by the 13 European Commissioners so that it can make a detailed rebuttal of criticisms. It also urged that the numbers code adopted by the European Court of Auditors when writing the report to protect individual Commissioners should be dropped from the published version.

A statement authorised by Mr. Roy Jenkins, president of the Commission, also made it plain that it intends to contest many of the critical conclusions contained in the audit court's 50-page report. It rejects criticism of commissioners' use of air taxis, pointing out that for top officials these are "a normal means of transport, not a joy-ride."

The Brussels Commission's statement emphasised that the commissioners are not "deskbound bureaucrats" and that their jobs involve meeting people and a great deal of travel. It also points out that in spite of reported overspending, the 13 commissioners did not exceed the 1978 "global financial envelope" voted by the European Parliament.

The statement says that the original 1978 allocation for the Commission as a whole, collectively and individually, was just over BFr 11.4m (£176,000). The sum spent was under BFr 11.3m (£173,500).

"This expenditure has risen by only 16 per cent since 1973, compared with an increase of 64 per cent in the Community cost-of-living index," it adds.

Michelin may quit Basque country

BY ROBERT GRAHAM IN MADRID

MICHELIN IS seeking permission to expand its tyre plant at Aranda de Duero, 150 km north of Madrid. This coincides with a decision by the French multinational company to move its headquarters from the Basque country to Madrid.

Michelin has four plants in Spain, with about 11,000 employees. Two of these, employing 7,000 are in the Basque country—at Lasarte in Guipuzcoa Province and at Vitoria in Alava Province.

Both the business community and trade unionists believe that Michelin is preparing the ground for a possible move out of the Basque country. The company has refused to comment on this but those familiar with it say that the management is becoming increasingly disenchanted with the problems of operating two large plants in the territory.

The situation has become especially difficult since January when the French Government began to take a tougher line against Spanish Basques living inside the French Basque country.

Since then, M. Georges Rouvier, head of Michelin in Spain, working at Lasarte, and Sr. Luis Abaitua, the director of the Vitoria plant, have been kidnapped by the Basque Separatist Organisation (ETA). M. Rouvier was taken from near his home, shot in the leg and then dumped at San Sebastian. Sr. Abaitua was kidnapped for two weeks during wage negotiations. It has since been revealed that he will be leaving for Brazil.

Michelin is an obvious target for anti-French feeling in the Basque country, which continues to run high.

Basque Nationalists maintain that the hostility towards Michelin is only partly due to its French identity. They say the company has earned itself a bad reputation for labour relations. In 1976 there was a strike which lasted 100 days and led to 170 sackings, while early this year acrimonious wage negotiations at the Vitoria plant resulted in four weeks of strikes.

Serious negotiations reportedly started once Sr. Abaitua had been kidnapped. Michelin is said to accept reluctantly the new freedom of trade unions in Spain but rejects the idea that the militant separatist organisation should also choose to interfere. It is also assumed in the Basque country that Michelin is refusing to pay the "revolutionary tax demanded by ETA.

Trade unionists who have had experience of Michelin regard Separatist pressure and anti-French sentiment as a side issue. Lasarte they say was built in 1934, one of the oldest multinational plants in Spain. It has long since been amortised.

Michelin is facing up to the prospect of an unprotected market within the next four years. Therefore it has no use for old plant and a well-organised labour force.

It makes more sense for them to invest in new areas such as Aranda de Duero and Valladolid (the site of their other plant) where the unions are also weaker.

The proposed investment at Aranda de Duero is for $30m, creating 370 new jobs.

Oslo stands firm on price freeze

BY FAY GJESTER IN OSLO

RISING OIL prices have led to conflict between Norwegian industrialists and the Ministry of Consumer Affairs, which is trying to enforce the Government's prices and incomes freeze.

Despite the freeze—due to last until the end of December—manufacturers are allowed to increase their prices on the domestic market to offset higher raw materials costs.

Some time ago, the Federation of Industry asked the ministry to extend this concession to apply to oil as well as raw materials.

For many manufacturers, the former accounts for as much of their total production costs as the latter—in certain cases even more.

In a recent ruling, the ministry turned down the federation's request. It said companies particularly hard hit by more expensive oil could appeal for special dispensation to raise prices, but each case would have to be considered on its merits.

A general dispensation on the grounds of increased oil costs, would result in many "unnecessary" price rises. It would also make supervising the freeze extremely difficult.

Mr. Arnulf Ingebrigtsen, the federation's deputy director, said the ministry's decision appeared to be an invitation to manufacturers to apply for individual dispensations. He indicated that he hoped they would flood the ministry with claims. The higher oil prices were the result of events abroad, Mr. Ingebrigtsen pointed out, and it was unfair to expect industrial companies to absorb them.

E. German escapes increasing

By Leslie Colitt in Berlin

THE LARGEST number of East Germans in any single month, 57, escaped to West Germany across the border in July. This reversed a downward trend in the refugee statistics.

An average of only 34 East Germans a month have crossed the Berlin Wall and the minefields between East and West Germany or have been smuggled out in western cars, using the East German autobahn.

One explanation for the sudden increase in escapes across what East Germany calls the "modern state border" is the tough new laws that went into effect on August 1. Among other penalties, East Germans are now liable to imprisonment for up to eight years for "escape from the Republic," compared with five years before.

Altogether, 350 East Germans escaped in July, with the majority of them leaving through border loopholes in other Warsaw Pact countries or refusing to return home after official trips to the West.

The total number fleeing to the West has dropped by 50 per cent over the past three years.

Turkey to sign debt agreement

By Metin Munir in Ankara

THE AGREEMENT between Turkey and a large group of international banks for restructuring a $2.4bn debt is now expected to be signed in London on August 29.

The debt represents short-term foreign currency deposits in the so-called convertible Turkish lira accounts which Turkey could not service.

Some 220 commercial banks are believed to hold about $2bn and Turkish citizens living in Turkey the balance.

The rescheduling will be over seven years, with three years' grace on payment of principle.

Swedes 'must spend less'

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

SWEDES' private consumption must be curtailed and exports increased to pay for the SKr 8bn (£850m) a year increase in the oil bill. There will be no room for general tax reductions, and energy-saving targets for homes and industry must be pitched higher.

These are some conclusions reached on Wednesday at an all-day session of the minority Liberal Cabinet to examine Sweden's economic position after the oil price increases. With a general election pending on September 16, the only concrete Government action, however, was to prolong the 90km-an-hour speed limit.

The economy has been recovering since the second quarter of last year, with a strong growth in export income. Mr. Ola Ullsten, the Prime Minister, noted after the meeting that the improvement could be expected to continue into 1980, but that the impact of the oil price increases would increase.

Discounting earlier oil company suggestions that Sweden could face an oil shortage in the winter, Mr. Ullsten said Sweden should have no trouble in obtaining supplies, "but we cannot afford to buy so much."

NOTICE

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

x

IN RE URANIUM ANTITRUST LITIGATION : M.D.L. Docket No. 342

x

WESTINGHOUSE ELECTRIC CORPORATION, :
Plaintiff, :
v. : No. 76 C 3830
RIO ALGOM LIMITED, et al., :
Defendants, :

x

ORDER FOR IMPOUNDMENT OF CERTIFICATES EVIDENCING RIO ALGOM LIMITED'S OWNERSHIP OF SHARES OF ATLAS ALLOYS, INC. AND FOR PUBLICATION

The Court having heard and considered that portion of the motion of the plaintiff, Westinghouse Electric Corporation ("Westinghouse"), brought on by Order To Show Cause entered May 16, 1979, which is directed to defaulting defendant Rio Algom Limited and which seeks an order requiring the said defaulting defendant to deposit in the registry of the Court the certificates evidencing its ownership of the shares of Atlas Alloys, Inc. ("Atlas Alloys") and granting other equitable relief to ensure that those shares are not transferred, alienated or encumbered in violation of the Court's prior order herein of January 14, 1979; and

WHEREAS, defaulting defendant Rio Algom Limited has failed to appear in opposition to said motion; and

WHEREAS, this Court on January 24, 1979 enjoined the said Rio Algom Limited and other defaulting defendants from making, or causing or permitting others to make, certain transfers or withdrawals of United States assets and from "taking any other action whose effect would be, directly or indirectly, to divest a defaulting defendant, in whole or in part, of ownership or control, directly or indirectly, of United States assets"; and

WHEREAS, Westinghouse has submitted evidence tending to show that Rio Algom Limited has violated the said injunction by making, or causing to be made, certain transfers or withdrawals of United States assets; and

WHEREAS, Westinghouse contends that defaulting defendant Rio Algom Limited may further violate the said order by seeking to transfer or encumber the shares which it owns in Atlas Alloys, an Ohio corporation; and

WHEREAS, the Court has entered judgment holding that defendant Rio Algom Limited is liable to Westinghouse as alleged in the complaint and has determined, based on evidence submitted, that there is a reasonable likelihood that the amount of damages will exceed the value of the shares of Atlas Alloys; that there is a risk of irreparable injury to Westinghouse if those shares are transferred which outweighs any harm to Rio Algom Limited which may result if such transfers are restrained; and that grant of the instant relief is in the public interest;

NOW, THEREFORE, IT IS **HEREBY ORDERED** that:

(1) Defaulting defendant Rio Algom Limited shall deposit in the registry of the Court the certificates evidencing its ownership of the shares of Atlas Alloys, such certificates to remain in the registry of the Court until further order;

(2) Defendant Rio Algom Limited is enjoined until further order of the Court from transferring, alienating or encumbering any of the shares of Atlas Alloys or *causing or permitting the issuance of any new shares thereof;*

(3) Westinghouse may make such publication of this order and the Court's prior order of January 24, 1979 as it deems advisable to give notice thereof to all who might otherwise be induced to accept a transfer of the shares affected thereby or of any interest in such shares in contravention of the orders of the Court.

ENTER:
Prentice H. Marshall
(Signed)
United States District Judge

Dated: June 20, 1979

Westinghouse Electric Corporation
Pittsburgh, Pennsylvania
U.S.A.

Schmidt sets sail for meeting with Gierek

BY ROGER BOYES IN BONN

HERR HELMUT SCHMIDT, the West German Chancellor, sails by two-masted schooner to Hela in Poland today to meet Mr. Edward Gierek, the Polish party chief, for talks which are expected to include energy co-operation and international security.

This unconventional (and fuel-conscious) method of pursuing Ostpolitik—Bonn's conciliatory policy towards Eastern Europe—demonstrates the informal tone of the one-day discussions. No agreements are due to be signed and the meeting is being held outside the normal diplomatic framework—in protocol terms, Mr. Gierek should have visited Germany rather than the other way around.

Herr Schmidt relaxes aboard the sailing vessel Atalanta on his way to visit Poland.

The visit does, however, underline the important role that Poland plays in Bonn's Ostpolitik. Since the ratification three years ago of the German-Polish treaty, contacts have intensified, and Bonn now ranks as Poland's most important Western trading partner. The 1976 treaty blended a concern for human rights with hard-nosed commerce: it provided for the repatriation of 125,000 ethnic Germans living in Poland, the repayment of DM 1.3bn (about £318m) in wartime Polish pension claims, and it promised Poland DM 1bn of cheap credit.

There are now few outstanding bilateral issues, although the question of the remaining ethnic Germans will be discussed. This is not to suggest, however, that all has been plain sailing in German-Polish relations: it is impossible to ignore the Polish sensitivity on all matters German, dating back to the war.

The recent vote by the German Bundestag (the lower house) allowing for the continued prosecution of Nazi war criminals has gone some way towards reassuring Warsaw.

Over the past five years, Ostpolitik seems to have evolved from a policy of gestures (albeit extremely important ones) to a policy of economic substance. Thus mutual trading interests will play an important part in today's talks. Poland has large reserves of brown coal which are of interest to the Germans, who are reconciled to stepping up their imports in the 1980s to cope with ambitious gasification and liquefaction plans.

Polish economy in the doldrums

Christopher Bobinski reports on an embarrassing set of figures facing the Warsaw ruling party.

OFFICIAL ADMISSION of Poland's economic deterioration came last weekend in figures published by the Chief Statistical Office for the first half of the year.

It came as no surprise to housewives finding it more and more difficult to buy what they want and to factory managers struggling to produce goods against a background of power cuts and materials shortages.

But the figures are an embarrassment to the authorities who are in the middle of putting together a new five year plan for 1981-85, the outlines of which will be presented to a party congress scheduled for the first quarter of next year.

If present trends continue this year will show little or no growth, an economic performance which will almost certainly raise questions both inside and outside the party during the pre-congress debates on whether radical changes are needed in present economic policies.

The figures show no growth in industrial production of retail goods in the first six months over the same period last year against a planned 7.7 per cent expansion while industrial production overall rose by only 0.6 per cent against a projected 4.9 per cent.

The official account for the first six months puts much of the blame for the weak economic performance on snow and freezing temperatures at the beginning of the year and then spring flooding followed by droughts.

But even if this year's expected poor harvest can be blamed on the bad weather it is becoming increasingly clear that the winter did no more than show up the economy's weak points.

The general malaise of inefficiency, bad organisation and wasteful utilisation of resources is widely recognised but now more specific problems are becoming increasingly apparent.

Cutbacks in spending in recent years on the power supply system and on transport have meant that these basic sectors cannot meet the demands the economy makes on them.

The railways carried 5.5 per cent less goods in the first six months of this year than they did in the same period in 1978 while the plan for this year foresees a 3.4 per cent growth in goods traffic.

The electricity supply system is working at the very limit of its capacity and planned power cuts are continuing throughout the summer months.

These cuts of course hit hardest at those industries which consume most power and the dramatic drop of 17.6 per cent in cement production in the first half of the year compared to 1978 is an example.

Rolled steel products and copper head a long list of industrial goods where production was well below planned targets. Another reason for the low production figure is the need to save on imports in view of lower-than-expected hard currency export earnings.

The authorities have a $15bn foreign debt to service and hope to bring last year's $1.7bn trade deficit into surplus by the early 1980s.

Hard currency export earnings grew by 2.7 per cent in the first half of the year while imports were reduced by 0.7 per cent. But import spending will grow in the coming months as the harvest shows exactly how much grain has to be imported from the West. But for the moment import savings mean that industry is having to go without the materials and equipment it needs.

Last December, Mr. T. Grabski, First Secretary in Konin province, speaking at a closed meeting of the Polish Central Committee, called for a realistic appraisal of the Polish economy and pinpointed faulty planning as the source of many problems. "The frequent work stoppages," he said, "caused by shortages of materials, spare parts, raw materials, electric power and just waiting around for transport have an extremely demoralising effect on the most hard working and disciplined of work forces."

He went on to ask: How, comrades, are we to ensure rythmical and well organised work on the building sites when a majority of the construction firms in our province receive from 40 to 60 per cent of the materials needed to fulfill the plan?

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هكذا من الأصل

Output figures fuel optimism on U.S. economy

BY STEWART FLEMING IN NEW YORK

INDUSTRIAL PRODUCTION in the U.S. slipped a meagre 0.1 per cent in July, the Federal Reserve Board reported yesterday, reinforcing the arguments of those economists who contend that after the second quarter slowdown there is little evidence so far to suggest that the U.S. economy is getting any weaker.

Separately, the Commerce Department reported that personal income in July, also on a seasonally adjusted basis, rose quite strongly by 1.4 per cent. This is approximately twice as quickly as in the two previous months.

But much of the increase reflected the July rise in cost of living payments to social security recipients and armed service veterans. Thus the July data tends to overstate the strength of personal income generated from the performance of the economy.

These latest economic indicators tend to confirm the growing conviction on Wall Street that the economy appears to have stabilised after its second quarter decline. There are widespread predictions that when the Commerce Department publishes revised Gross National Product figures for the second quarter, they will reveal that the preliminary data—a real GNP decline of 3.3 per cent—exaggerated the weakness of the economy between April and June.

The latest evidence on the performance of the economy came as the banking industry responded to Wednesday's moves by the Federal Reserve Board to tighten credit and raised its prime lending rate to the record 12 per cent. By midday, most major U.S. banks had followed the lead of Chase Manhattan Bank which raised its prime rate to 12 per cent on Wednesday.

The Federal Reserve Board gave the money markets a clearer indication of its monetary policy shift when in mid-morning it drained reserves from the banking system, with federal funds trading at 11 1-16th per cent.

The markets concluded that for the time being the central bank appears to have raised its average weekly target interest rate on FED funds by around ¼ of a percentage point to just under 11 per cent.

With the economy apparently stabilising, however, the moves to tighter credit should not have any sharp impact on its performance. This is leading some observers to conclude that short-term interest rates could remain at current levels at least until towards the end of the year, and may even go higher.

CAB refuses to delay IATA anti-trust case

BY JOHN WYLES IN NEW YORK

THE U.S. Civil Aeronautics Board has rebuffed an attempt by the International Air Transport Association (IATA) to delay proceedings which threaten to remove the immunity from U.S. anti-trust laws traditionally enjoyed by international airline fare-fixing agreements.

The CAB's determined espousal of greater fare competition over the past two years has set it on a collision course with IATA, which has been the traditional cartel-like forum for setting international fares. Last year the CAB issued a "show cause" order which required IATA and its members to demonstrate why anti-trust immunity should not be lifted.

The immediate impact was to cast doubt on whether U.S. carriers could, or would, continue to belong to IATA. Pan American World Airways, the leading international U.S. carrier, resigned from the organisation last year. In an attempt to acknowledge U.S. concerns, IATA is in the process of reorganising itself so that there will be two categories of membership from October 1.

One would exclude members from fare-setting discussions but would allow continued membership for IATA's trade association functions and co-ordination of policies on technical, legal and other fronts.

The CAB, in the meantime, had scheduled legislative hearings on its show cause order for October 22-24 and asked for written testimony to be submitted by August 20. IATA asked for a delay of more than two months but this has now been rejected by a vote of the four-member Board.

IATA said yesterday that it regarded a delay as a necessary courtesy to allow member airlines to study transcripts of recent regional meetings on the issue between the U.S. and a number of other governments.

These meetings were attended by, among others, Mr. Marvin Cohen, the CAB chairman, and took place in Bogota, Brussels and Nairobi. The transcripts have not yet been made available and according to IATA, its member airlines do not yet know in detail what their government representatives said.

The CAB's intention to press ahead with its timetable is seen here as intended to keep the pressure on IATA to make its new structure work more competitively. To this end, the CAB may well postpone an actual decision on whether to recommend President Carter to lift anti-trust immunity for several months after its hearings have been completed.

Loss of immunity could be a severe threat to IATA and a source of considerable conflict between the U.S. and other governments. At the worst, it could mean that any foreign airline participating in a rate agreement anywhere in the world could be subject to legal action in the U.S.

China set to operate flights to the U.S.

BY OUR NEW YORK STAFF

THE FIRST Chinese operated flight between the U.S. and China since the Communist takeover in 1949 is planned to leave San Francisco on December 17, possibly with a Chinese crew at the controls of a Pan American World Airways Boeing 747SP.

The flight is regarded as an important step towards the resumption of commercial scheduled services between the two countries. It has been made possible by an agreement between Pan Am and China's national airline which provides for a total of six round-trip flights between the U.S. and China from December 17 to February 11.

Each will offer packaged holidays to American tourists and the General Administration of Civil Aviation of China, the national carrier, will operate three with leased Pan Am Boeings, complete with pilot and crew. However, as Pan Am has also agreed to train eight Chinese pilots and four flight officers to operate the aircraft a mixed Chinese-American crew on some flights is a possibility. Pan Am will operate the other three flights. The total leasing cost to the Chinese is $534,480.

The flights will need Civil Aeronautics Board approval which is expected to be forthcoming. However, the board would not see its approval as being any pointer to its attitude to requests from several airlines, including Pan Am, to run scheduled services to China.

Success in negotiations between the Chinese and U.S. governments is needed to make this possible and there are reportedly serious differences of approach between the two

OBITUARY

Diefenbaker—orator who ousted the Liberals

MR. JOHN DIEFENBAKER, Prime Minister of Canada from 1957 to 1963, died yesterday in Ottawa. He was 83. Despite his age, and sporadic bouts of ill-health Mr. Diefenbaker was one of the most active politicians in Canada for the last five years of his life. He continued to travel, write and speak at a pace that belied his age, and the loss of his wife.

John George Diefenbaker in 1958 led the Progressive Conservative Party to one of the biggest electoral victories in recent Canadian history, but signally failed to reconcile the contradictions within his party and the fabric of Canadian society. In 1962 Mr. Diefenbaker was forced into a minority position and was defeated on a vote of confidence in the following year.

"Dief the Chief," as he was called in his heyday, was born in Ontario in 1895 and subsequently practised law at Prince Albert, Saskatchewan, in the Canadian West—that part of the country which has always resented the political and economic concessions made to keep French-speaking Quebec within the Canadian confederation. Mr. Diefenbaker was for one Canadian nation under the Crown and the Union Jack, a concept far removed from unity

In 1940, Mr. Diefenbaker was elected to the Canadian House of Commons and became leader of his party in 1956. In the following year he seized on an issue upon which the Liberals appeared to have sacrificed Canadian economic interests to the U.S., and broke the monopoly of power that they had had for 22 years. To begin with the Conservatives ruled as a minority, but in 1958 Mr. Diefenbaker dissolved Parliament and was returned overwhelmingly.

However, failures of administration, an economic recession, and the party's inability to bridge the gulf between its manufacturing and populist wings took their toll. By 1963 the Liberals were back in office.

Mr. Diefenbaker resigned the party leadership in 1967. He remained in Parliament, a theatrical and widely loved figure.

However, he chose not to be the grand old man of politics, but rather was Canada's political curmudgeon. Former Prime Minister Pierre Trudeau was the target of most of his barbs, but he scarcely concealed his distaste for Robert Standfield, the former premier of Nova Scotia, who displaced him as party leader, and even Mr. Joe Clark, the new Prime Minister, once a Diefenbaker protege, felt the sting of his remarks.

As Mr. Clark was being sworn in as Prime Minister Mr. Diefenbaker was telling reporters in the reception line that he had "less than complete enthusiasm" for Mr. Clark's cabinet. Mr. Clark had left out the Diefenbaker loyalists still sitting in the House of Commons 16 years after the defeat of the Diefenbaker Government.

The problems the Conservatives had with Mr. Diefenbaker (his criticism of Mr. Standfield, may have contributed to Mr. Standfield's failure by only a few seats to defeat Mr. Trudeau in 1972) were recognised in May's federal election campaign. He was not allowed to campaign for the party for fear that he would get out of hand.

Suffering from the frailties of age and the effect of flu, he fell and hit his head and was confined to bed for two days early in the campaign. But he was hurt by the party decision. "It was not my decision; I was available at all times. I've devoted all my life to politics," he said.

Anger over trigger price of steel

BY OUR NEW YORK STAFF

STEEL INDUSTRY leaders have reacted angrily to a U.S. Treasury decision not to raise the trigger price on imported steel for the fourth quarter of the year. They say the decision opens the way for higher foreign steel imports into the country.

The U.S. industry is worried because of signs of both a significant downturn in orders for steel, particularly from the motor industry which is a major market for flat-rolled products, and because of recent evidence that imports are rising again.

The trigger price mechanism, set up a year ago, establishes a minimum price for steel imports into the U.S. Steel imported into the country below this price can trigger an anti-dumping investigation by the Treasury.

The system was established to protect the U.S. steel industry from rapidly rising imports which, it was claimed, were being dumped at less than fair value.

The decision by the Treasury to leave the trigger price unchanged in the fourth quarter will keep pressure on U.S. producers not to raise prices. According to Mr. Lewis Foy, chairman of Bethlehem Steel, the second largest producer it will also "encourage increased steel imports at a time when domestic steel production is falling."

Mr. David Roderick, chairman of U.S. Steel, said he was "amazed" that the trigger price would not rise. The formula is based on Japanese production costs and Japan is experiencing double digit inflation.

Although the U.S. steel industry operated at over 90 per cent of capacity in the first half of the year, this is now falling and there are fears that output and profitability will come under pressure.

U.S. Steel has already announced the indefinite closure of one mill producing heavy steel plate, employing 400 people, citing sagging demand and the high cost of running the mill.

Damp and dry eyes after Young's departure

BY DAVID BUCHAN IN WASHINGTON

MR. JODY POWELL, President Carter's Press secretary, choked back a sob or two when he announced on Wednesday night that the President had accepted Mr. Andrew Young's resignation as U.S. ambassador to the UN. But others in the Carter administration were distinctly dry-eyed yesterday at his dramatic departure.

Mr. Cyrus Vance, the Secretary of State, had apparently come to the reluctant conclusion that the full-scale diplomatic row over Mr. Young's meeting with a Palestine Liberation Organisation official was the last straw, and that the mercurial Mr. Young should go.

Mr. Robert Strauss, who flies out to the Middle East to repair some of the diplomatic damage undoubtedly wrought by Mr. Young, is reported to have shared the same feeling. Not because he is Jewish by origin—some hardline Zionists in the American Jewish community were yesterday crowing at Mr. Young's demise—but simply because "the Young affair" has complicated his task as the U.S. mediator in the Palestinian talks with Egypt and Israel.

No one in the White House, including President Carter, appears to have seriously tried to talk Mr. Young out of his offer of resignation. But no one there is underestimating the consequences of his departure. It has resulted in some very serious political problems for the White House.

The Arab and black African reaction from abroad has been fierce, to the point of vitriolic. Mr. Strauss may have thought that U.S. diplomats sneaking off for "unauthorised" parleys with the PLO members posed a problem for the acutely sensitive autonomy talks into which he is trying to breathe some hope. But Mr. Young's departure and the resulting blow to U.S. standing in the Arab world may cause even worse difficulties.

The reaction of the black community at home has been equally hostile. Sharp criticism emerged from black religious and civil rights leaders at the meeting yesterday in Virginia of the Southern Christian Leadership Conference, an organisation in which Mr. Young, an ordained Protestant minister, won his spurs as an assistant to the late Dr. Martin Luther King.

"Carter has sealed the coffin shut on the black vote—his only hope for re-election," one black leader predicted.

The overwhelming proportion of the Black vote went to Mr. Carter in his 1976 contest against Mr. Gerald Ford—a coup for which Mr. Young was largely responsible.

Even the appointment of another Black to replace Mr. Young at the UN will not wipe out the black community's conviction that "Andy" has been made the fall guy. It has been widely noted this week that Mr. Milton Wolf, the U.S. Ambassador to Austria who the State Department admitted had three meetings with PLO officials in Vienna this year, received more lenient treatment.

Mr. Wolf was merely "reminded" of U.S. policy not to talk to the PLO—no "reprimand" was meted out.

Mr. Carter has probably gained support in the American Jewish community, which is deeply suspicious that Mr. Young's publicised encounter with a PLO representative, on the procedural matter of postponing a Security Council debate and vote, was part of a wider pattern of State Department discussions with the PLO on matters of substance.

American Jews, together with the Israeli government—which is leaking to the press anything it can lay its hands on about U.S.-PLO contracts—view the Vienna meetings as evidence of this pattern.

In a sense, they may be right. Direct negotiations between the U.S. and the PLO have been limited to a few instances, as far as is known, concerning humanitarian problems in that part of the Lebanon controlled by the PLO.

But indirect contacts have taken place, most recently, it appears, through the West Germans. Herr Hans Dietrich Genscher, the German Foreign Minister, was in Washington recently partly to transmit the results of an earlier meeting between Herr Willy Brandt and Mr. Yassir Arafat the PLO leader, in Vienna.

Mr. Young said publicly this week what many in the Carter Administration privately feel: that by ostracising the PLO, the U.S. contributes nothing to Middle East peace, except the placation of Israel.

Boycotting the PLO, Mr. Young said, was "not a sound policy, but I understand it." It was formulated in 1975 (by Dr. Kissinger in the Ford Administration) when "We all hoped the PLO would go away." Since then, Mr. Young said, the PLO may have diminished as a military threat to Israel. But it has grown in political influence and, with the backing of Arab oil, in economic clout.

Echoes of Presidential sympathy with this view came in Mr. Carter's recent public comparison of the Palestinian self-determination movement with the American civil rights struggle in the 1960s.

The Middle East issue was the catalysts of Mr. Young's demise, but was only peripheral to his contribution to American policy at the UN and elsewhere. With Mr. Young's departure, the Carter Administration loses an important part of what it perceived to be its moral content, even if it does appoint another, and less free-wheeling, black to the UN post.

Previous U.S. Administrations, through such blunt envoys as Mr. Daniel Moynihan, had seen the UN, with its built-in Third World majority, loaded against U.S. interests. The Carter Administration, by appointing Mr. Young, tried to work with that majority, particularly on issues like Rhodesia and Namibia.

In terms befitting the ex-preacher, Mr. Young said frankly this week that coming from a race that had been oppressed in the past, he identified "with these the least of my brethren," the Third World.

But his free-wheeling style, like a loose cannon on the deck of a rocking ship, eventually became more than the Carter Administration could weather.

Mr. Young once defined his UN job as speaking "to the United States as well as for the United States." President Carter may well have privately approved of this moralising posture. But in the end he appears to have concluded that if anyone was going to preach to the American people, it would be him alone.

Andrew Young yesterday . . . promises to speak out.

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Post Office Telecommunications

OVERSEAS NEWS

Oil price increases send Japan import bill soaring

BY RICHARD C. HANSON IN TOKYO

OIL PRICE increases sent Japanese imports soaring in July, giving the country its third monthly current account trade deficit in the past four months.

The volume of oil imported in July was 14.9 per cent above the unusually low level of July 1978, while in dollar terms, the oil bill jumped by 56.5 per cent to $2.615bn.

According to preliminary figures released by the Ministry of Finance yesterday, Japan's current account deficit in July was $860m, compared with a surplus of $122m in June and of almost $2bn in July last year. Imports leapt by 57 per cent from July last year to a record $8.49bn. Exports (fob), in contrast, grew by just 7 per cent to $8.76bn, cutting the trade surplus to $216m from $1.09bn in June.

The full impact of the most recent oil price increases has yet to be felt. The Government expects the current account deficit for the full fiscal year to rise to $5bn, compared with a surplus last year of almost $12bn.

The import total in July was boosted by "emergency imports" worth $560m, mainly uranium from France. These were intended to reduce the trade surplus, but even without them imports registered an all-time high.

The invisibles account deficit was swollen by higher transportation costs. These rose to a record $960m—$90m above the previous high in June.

The overall balance of payments was in deficit for the ninth consecutive month. At $1bn, the deficit was $628m worse than that in June.

This was in spite of the inflow of foreign capital to Japanese securities, which reduced the net outflow of long term capital to $100m from $372m in June.

There was a net inflow into securities of $950m in July, up from $542m in June, the first month of eased restrictions.

At the same time the number of yen bond issues by foreign countries and institutions dwindled to only two as coupon rates increased sharply. There was one dollar issue by a foreign concern, The European Coal and Stel Community which raised $80m—the first dollar issue by a foreigner since February.

The short term capital account showed a small $40m outflow, which when combined with the errors and omissions account, compared with $122m in June.

India to cut budget deficit

By K. K. Sharma in New Delhi

THE INDIAN cabinet yesterday decided to cut the budgetary deficit which was placed at a record Rs 135bn (about £7.5bn) when Mr. Charan Singh, the then Finance Minister, and now Prime Minister, presented the annual budget last February.

This was part of several decisions taken to check inflationary forces unleashed by the budget. Prices have risen by more than 15 per cent since then, partly due to higher taxes but also because of other domestic and international factors like the cost of crude oil.

If the decision is carried out —it will depend on whether the Government wins a vote of confidence next Monday—public investment would be slashed with effects on possibly all sectors of the economy.

The decision could also lead to a further postponement of the long-delayed sixth five year plan, the revised draft of which has just been finalised by the Planning Commission.

Imports of capital goods and machinery will be affected. However, the Government decided that imports of edible oil—now in short supply—will be maintained at last year's level of Rs 5bn. The country's foreign exchange reserves are strong enough to cope with such heavy imports.

The cabinet asked the Reserve Bank to take steps to cut total bank credit which has soared recently and increased money supply and inflationary pressures. It is expected that the Reserve Bank will raise the bank rate substantially.

● Diplomatic reaction to Mr. Charan Singh's threat to make nuclear bombs were muted here yesterday, apparently because other countries are waiting to see the fate of the new Government in Monday's confidence vote.

A U.S. embassy spokesman said that his Government was not seeking clarification on the Prime Minister's statement. The U.S. is the most vitally affected country since on India's nuclear policy will depend further shipments of enriched uranium to the U.S. built nuclear power station at Tarapore near Bombay.

The Pakistan embassy was equally taciturn and its spokesman offered "no comment" in reply to questions although he repeated his Government's claim that Pakistan had no intention of making nuclear bombs.

Renter adds from Karachi: Any decision on a "peaceful" nuclear explosion by Pakistan will be left to the new Government formed after general elections on November 17, a senior Pakistani government official said.

Khomeini warns intellectuals

BY ANDREW WHITLEY IN TEHRAN

IN A fiery speech to the nation yesterday, Ayatollah Khomeini warned non-Islamic intellectuals that they would be "disposed of in a few hours' time" on the day he and the Iranian people finally chose to take action against them.

The religious leader was speaking against the background of the capital's most serious clashes between left-and right-wingers since the February revolution, as well as recent protests on the curbs on the press.

The speech was broadcast to mark "Jerusalem Day," today, which the Ayatollah has called on Moslems all around the world to support. A massive turnout is expected in Tehran and the provincial cities, as the Palestine issue is one that can unite all the recently warring political factions.

In his speech Ayatollah Khomeini emphasised the prevailing view among Government and religious officials that it was only the Islamic forces which brought about the Shah's downfall, and that the left-wingers had no part—an argument which infuriates the Marxist Fedayeen-e-Khalq guerrillas.

Directing his venom at his old opponents, the liberal and left-wing professional classes of Tehran, Khomeini hinted that he would order the revolutionary guards to crack down on them "if they do not stop meddling."

He said he was choosing this day to warn intellectuals in touch with the United States, as well as those who were said to be American agents. No one should think that these people or "the non-American leftists" can stand up in this country any more, he said.

The speech is expected to lead to an increase in the recent attacks on left-wingers and their premises in Iranian provincial towns. It also gave tacit support to Monday's capture of Left-wing headquarters in Tehran by Islamic committees.

AP adds: Armed clashes between rebellious Kurds and revolutionary militia were reported by the state radio yesterday near the town of Paveh, western Iran, close to the Iraqi border.

ASEAN states want UN debate

BY WONG SULONG IN KUALA LUMPUR

FOREIGN Ministers of the Association of Southeast Asian Nations (ASEAN) meeting here decided yesterday to seek a debate on the situation in Kampuchea at the coming UN General Assembly.

The ministers, from Indonesia, Malaysia, Singapore, Thailand and the Philippines, reaffirmed their opposition to the Heng Samrin regime and demanded the withdrawal of Vietnamese troops from Kampuchea.

At a joint news conference, they said the Kampuchean conflict could be resolved only through a political solution, although they admitted it would be difficult to get the parties concerned to come together.

The ASEAN ministers felt that the timing was not right for an international conference on Kampuchea, as proposed by the U.S. and Japan.

The ASEAN ministers also stressed their concern that the Kampuchean conflict would worsen at the end of the current monsoon season and spill over into Thailand.

The problem was exacerbated by the prospect of large scale famine which could trigger off an exodus of Kampuchean refugees.

The meeting discussed the thorny issue of Kampuchean representation which is expected to be the strongest point of contention between ASEAN and Vietnam at next month's non-aligned conference in Havana.

ASEAN recognised the Pol Pot Government, while Vietnam, India and Cuba are lobbying for the admission of the Heng Samrin Government into the conference.

Tengku Rithauddeen, the Malaysian Foreign Minister, said ASEAN was not holding a brief for Pol Pot but was defending a principle.

"We believe the intervention of Vietnam in Kampuchea is not only illegal but immoral and the Pol Pot Government is therefore legal," he said.

SUDAN TRIES TO PUT ITS ECONOMY IN ORDER

Nimairi faces his toughest test

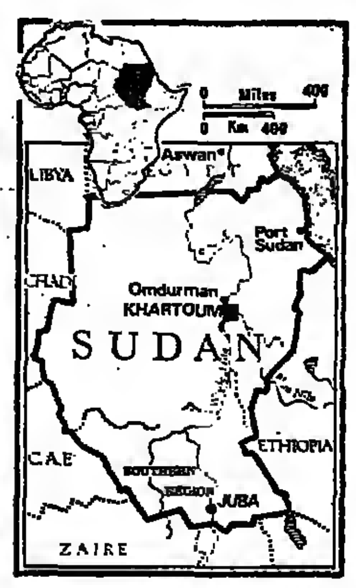
BY JAMES BUXTON

PRESIDENT Jaafar Mohammed Nimairi of Sudan is no stranger to severe political crises. In his 10-year rule he has faced three attempted coups and countless conspiracies, several in the past few months.

But the crisis he faces now, after several days of sporadic rioting up until last weekend and a strike on the railways, which was due to end yesterday, could be his hardest test yet.

The immediate cause of the crisis was the cutting of subsidies on several essential goods, leading to big price increases. This came against a background of increasing economic hardship at a time when Mr. Nimairi's political standing is probably weaker than it has been for several years.

President Nimairi



The price rises, which took sugar up by a third and petrol by two-thirds were partly a result of this year's oil price rise and partly an effort to cut government spending, as agreed with the International Monetary Fund under an economic reform programme.

But the increases were imposed suddenly and in mid-summer when the weather is especially torrid and when power cuts, the result of an overstretched electricity supply system, have made life miserable.

The critical economic situation was brought on by Sudan's bold development drive, launched after the 1973/74 oil crisis to bring the country out of a vicious circle of low growth by developing agriculture. Sudan was to become the "breadbasket of the Middle East."

Heavy borrowing, both on commercial and concessional terms, took the country's external debt up from $312m in 1973 to at least $1.3bn last year. Inevitably imports increased sharply, sending the balance of payments into deficit: but from late 1976 until mid-1978 the Government received no balance of payments support from its Arab backers (notably Saudi Arabia) to tide it over until the development drive produced higher exports.

Unwisely, perhaps, the Government pressed on regardless with the development drive. The shaky transport system became more and more clogged up, inflation soared, there was little foreign exchange left to pay for essential imports such as oil and Sudan's external payments fell hundreds of millions of dollars and many months into arrears.

The development projects themselves—big irrigation and sugar schemes, for example—slipped badly behind schedule, partly because many of the country's best management talent and skilled workers have emigrated to Libya and the oil states of Arabia to obtain higher pay. (The remittances they send back have fuelled property speculation and a consumer boom, but have barely helped the Government.)

Sudan has been trying vigorously to put its economy in order since last summer, when it devalued the Sudanese pound at the insistence of the IMF and its Arab creditors. A three year agreement with the IMF signed in May will bring in $260m from the fund provided Sudan keeps to the reform programme.

So at a time of high inflation, shortages of almost everything and breakdown of essential services the government is having to impose further austerity. Farmers are being made to pay more for water on irrigation schemes and asked to grow more cotton for export rather than wheat for home consumption.

This made many cotton farmers go on strike for a time, and they refused to plant next year's cotton crop—the main source of foreign exchange. Faced with a strike on the railways—the backbone of the state's transport system—and the disturbances in Omdurman, across the Nile from Khartoum, the capital, and in other towns, President Nimairi had this week to replace his Vice-President and rescind part of the petrol price increase.

Sudan, the biggest country in Africa, is difficult to govern, even without taking into account the non-Arab Southern Region where a civil war ended after 17 years in 1972 (and which has been far from stable this year, its troubles aggravated by the war in neighbouring Uganda).

Mr. Nimairi who came to power in a bloodless army coup in 1969, has held onto power by means of nimble political footwork and good fortune, shifting his internal political alliances to suit circumstances. Much of his support is probably based on the Sudan Socialist Union (SSU), the sole political party which is mildly left of centre, but which has been relatively ineffective in rallying support for the rgeime.

After a Libyan-backed attempt by the right wing to overthrow him in 1976, Mr. Nimairi moved further to the right, making a reconciliation with Mr. Sadiq el Mahdi, leader of the Ansar, a right wing Islamic movement, in 1977.

But the reconciliation has not been totally consummated: the Ansar has not been taken into government, while the structure of the SSU has not been modified as the Ansar wished.

Mr. Nimairi has been caught between the need to satisfy the right and to keep faith with his more left-wing supporters.

His relations with the Ansar were complicated by his support for President Sadat's peace initiative (an almost inevitable decision in view of Sudan's dependence on its defence agreement with Egypt).

Cleverly, though, Mr. Nimairi has managed to moderate his support for Mr. Sadat and improve his relations with Libya while retaining Saudi backing, all at the same time. He also has much support in the West, notably from the U.S. as well as Britain, West Germany and France.

Mr. Nimairi has blamed the latest riots on agitators from the outlawed but well organised Communist Party, but discontent with the regime is certainly more widespread. As a result of the crisis he was widely expected to bring Mr. el Mahdi into his Government to replace Vice-President Abul Gassem, dropped as a scapegoat last weekend. But either the offer to the Ansar leader was not made, or was not accepted, and Mr. Nimairi has instead appointed a tough, dynamic soldier, Gen. Abdul Magid Khalil, the Defence Minister, to the Vice-Presidency—a move which suggests he is determined to take a tough line with troublemakers and which should help consolidate support for the Government in the army, which has now pledged its loyalty to the regime. More changes in the political tructure have been promised, especially in the SSU, but it remains to be seen whether they will secure the whole-herated support of the Ansar.

In his speech to the people earlier this week President Nimairi called on them, in effect, to bear with him "a little longer." Many Sudanese people of different political colours feel they have borne with him long enough, while with the world economy going into recession the prospects for an economic recovery in Sudan in the near future cannot be good. A small oil find announced last month has yet to be proved commercial. But it can be questioned whether, given the complexity of the country and the fact that so many of the most able Sudanese are working abroad, any other ruler of Sudan would be able to do any better.

WORLD TRADE NEWS

New port projects add to excess capacity in Iran

BY ANDREW WHITLEY IN TEHRAN

IRAN FACES a severe problem of overcapacity at its main Gulf ports as a result of the falloff in imports to half their pre-revolution level, and recent decisions to complete major new port facilities at Bandar Abbas and Bandar Kohmeini (formerly Shahpour).

The biggest white elephant of all threatens to be the new Italian-built port 16 miles west of Bandar Abbas city, nearing completion at an estimated final cost of over U.S.$ 1.1bn. Mr. Abbas Ali Qavam, the managing director of Iran's Ports and Shipping Organisation (PSO), was reported by the official news agency Pars yesterday as saying that new port facilities at Bandar Abbas would be operational within six months.

The project's main contractors, an Italian consortium led by the majority state-owned Condotte d'Acqua, were told at the end of July that work could resume. The company decided to resume despite not having received any of the $200m back payments owed by the Government.

When complete the port is expected to be one of the biggest in the Middle East, although it has been cut back in size by the Iranian PSO since the revolution. In a concerted effort to make savings the PSO is understood to have examined every aspect of the project in great detail, ordering changes where possible.

Further along the coast, the major port of Bandar Khomeini has recently been augmented by the completion of 54 new docking berths. These will become operational in the near future, once related infrastructure such as harbour-side warehousing is completed.

But judging by the present level of port activity they are likely to remain largely unused. In the Iranian month to July 22, imports were down to 646,000 tonnes, an annual rate of 7.75m tonnes; and non-oil exports at 55,000 tonnes, or an estimated 660,000 tonnes for the year.

Although the ports at the head of the Gulf have been disturbed for much of the summer by industrial action and political unrest, there was no major strike during the month in question to distort the overall trade pattern.

Projected over a full year, these latest figures suggest an annual cargo handling of only 8.4m tonnes, just over half the trade registered in 1977-78, the last period before the anti-Shah disturbances got into full swing.

At the peak of the Iranian boom, the ports were probably handling 18m tonnes P.A., three times their then nominal capacity.

According to Mr. Qavam, on single shift working the real capacity now stands at 10.35m tonnes, before the addition of the new facilities.

The PSO chief said the cost of the new Bandar Abbas port had been cut by a third to about rials 36bn ($514m). But the contractors put the likely final figure much higher.

Condotte d'Acqua say work should resume on the port in November after they have remobilised their labour force, and completion is unlikely before October 1981.

Contracts for offshore oil search in China

By Richard Hanson in Tokyo

THE STATE-OWNED Japan National Oil Corporation has signed contracts with other major oil companies to participate in seismic tests for offshore oil in China near the Pearl River in Canton and further north in the Yellow Sea.

The agreements will allow the findings of the tests to be shared. Work is to start within a year. Japan and China are still negotiating, however, an agreement under which a Japanese group would begin work in the southern part of Bohai Bay, with financing apparently the major point of contention.

In the blocks near the Pearl River, the State corporation has agreements with Exxon, Mobil, Standard Oil of California and Texaco group, and Phillips Petroleum.

Offshore in the Yellow Sea, the contracts are with British Petroleum and Cie Francaise des Petroles of France.

Reuter adds from Tokyo: The Bank of China has signed agreements with a Japanese syndicate of 31 banks for a $2bn loan and a $6bn re-finance facility for China's modernisation programme. The 4½-year loan carries an annual interest of 0.5 per cent and the six-month refinance facility 0.25 per cent interest over London Interbank Offered rate.

The Bank of China and the Japanese syndicate agreed last May on basic conditions for the loans, expected to be used to buy plant and materials under a private trade agreement signed in February last year.

Toyo Menka Kaisha, a Japanese trading company, and two other concerns have jointly received Y1.1bn (£2.2m) order from China for 24 cotton spinning machines, AP-DJ reports from Tokyo. The other two companies are Toyoda Automatic Loom Works and Toyoda Tsusho Kaisha.

Pechiney wins smelter battle

BY JAMES FORTH IN SYDNEY

THE FRENCH aluminium group Pechiney is the latest to announce firm plans for a major new aluminium smelter in Australia, but at the expense of another project on the drawing boards.

The Gove Consortium, which currently operates a bauxite mine and alumina refinery in the Northern Territory, has been forced to shelve its plans for a smelter in New South Wales because Pechiney got the last available block of electric power presently expected to be available for aluminium smelting.

Australia currently has three smelters producing close to 270,000 tonnes of aluminium metal a year. Within the past 12 months six potential new projects have been announced, three of which were planned for New South Wales.

The Gove Consortium, which includes Swiss Aluminium and Australian group CSR Limited as the major participants, recently obtained an option over a land site in NSW, near Newcastle.

However, Pechiney has obtained the power which Gove needed and plans to build a A$500m 110,000 tonnes a year smelter, to be in production by 1983, doubling to 220,000 tonnes by 1985.

Dr. D. D. Brown, deputy general manager of CSR, said last night that CSR was disappointed by the state government's decision to reserve the power for the other groups. The Government had not told CSR why the Pechiney proposal had been preferred.

Dr. Brown said Pechiney was prepared to offer CSR a "substantial equity" in its smelter but CSR wanted its proposal accepted. The Gove Consortium announced in July last year that it was working on a feasibility study for a A$500m 150,000 tonnes a year smelter.

The Gove smelter was designed for ultimate expansion to 300,000 tonnes a year and would have had at least 50 per cent Australian ownership. Moreover, CSR planned to take over the management, to make it the only Australian managed smelter in the country.

Dr. Brown said that CSR and its other Australian partners in Gove had access to financial resources for its share of the proposed Gove smelter and arrangements for marketing of the metal were well advanced.

The terms of the power contract for the smelter had been settled with the NSW Electricity Commission and a firm commitment under the contract to take power, starting in 1983, had been accepted. CSR had informed Mr. Neville Wran, the NSW premier, a month ago that it was ready to execute the power contract immediately and to declare its commitment to the project.

Mr. Wran said yesterday that the arrangements with Pechiney were subject to the company forming a consortium in which there would be at least 40 per cent Australian equity.

The NSW government had also agreed to make power available for an existing smelter in NSW operated by Alcan Australia to enable it to go ahead with a A$95m expansion to lift capacity to 135,000 tonnes a year by late 1982.

Dai Hayward writes from Wellington: Economic conditions in Australia and New Zealand make it essential for each country to undergo a "fundamental rethink of its development and trade policies," the New Zealand Institute of Economic Research reports in a major review on the possible closer trade ties between the two countries.

After considering a customs or economic union, the Institute favours a "packaged approach to an unrestricted free trade area."

This would remove all duties on goods between the two countries, all import controls, quotas or quantity restrictions, and phase out existing safeguards on imports.

£9m ASEA order for sub-station supplies

THE CHINA National Technical Import Corporation has placed an order with ASEA, the Swedish-based world-wide concern, for the supply of equipment for three 220 kV substations to be built in central China. The total sum involved is Skr 86m (£9m). Under the terms of the contract ASEA will also provide assistance during building and commissioning.

WORLD BANK REPORT

Protectionism seen as 'cause for alarm'

BY DAVID DODWELL

THE WORLD BANK yesterday called for a moratorium on further restrictions to world trade, describing the threat of increased protectionism as a "clear cause for alarm."

In its annual World Development Report the bank says that a liberal trading environment is a "vital concern" for developing couotries aod industrialised *countries alike*. It attacks protectionism as "ill-advised action in pursuit of ephemeral gains."

According to the World Bank's ecooomists, protectionism preserves low skilled jobs in declining industries, while at the aame time strangling growth in developing countries. These countries are said to be the only significantly growing markets for manufactured exporta from industrialised countries. Only by exporting more themselves will they earn the foreign exchange necessary to pay for imports.

In the recession that has followed the 1974 oil crisis, supporters of protectionism have claimed that unemployment will ba the inevitable consequence of free trade. This is a position relentlessly attacked by the World Bank.

It refers to an OECD report projecting that 200,000 jobs will be lost between 1976 and 1986 through trade in manufactured goods with developing countries, but suggests they will be "low-skill jobs in declining industries."

Furthermore, demand for skilled workers, managers and administrators is expected to increase by an "almost exactly equivalent amount," mainly because of increased export demand from developing countries.

At the same time, free trade is said to offer the prospect of cheaper imports, lower inflation, and rapid expansion of major potential markets for products from the industrialised West. In 1976, these countries imported 28 per cent of total merchandise exports from industrialised countries, and 31 per cent of their manufactured exports.

Numerous developments tending towards greater protectionism give the bank cause for alarm: first, the use of both tariff and non-tariff barriers in the United States and the EEC to extend protection of the textile industry.

Second, the "orderly marketing arrangements" imposed by the U.S. to restrict TV imports from China and Korea. Third, the "anti-crisis" steel industry protection measures introduced inside the EEC.

Britain is singled out for the "particularly strong pressure" towards protectionism, while in a general sense subsidies to declining industries like shipbuilding, textiles, clothing and footwear are attacked.

The bank points out certain encouraging signs, however. The German Government is congratulated for leading resistance inside the EEC against protection and the creation of new cartels, while French action to encourage declining domestic industries to adjust is highlighted.

The successful conclusion of the multilateral trade negotiations "could prove to be the most significant development of the year," the bank says. The fact that Japan has opened up to more imports is also seen as encouraging.

Apart from recommending a *moratorium* on *further* trade restrictions, and insisting that developing countries have guaranteed market access for the exports over a long period, the bank makes several specific proposals for lessening the risk of more extensive protection.

The freedom of action of individual governments should be restrained in matters of international trade, it suggests, adding that the numerous non-tariff barriers should be gradually removed.

Then, inside the various Western economies, the bank recommends the adoption of full employment policies, better provision for social mobility away from areas of declining industry, and extensive education to convince the public that the connection between imports and the loss of jobs is false.

Brazil eases travel

BY DIANA SMITH IN BRASILIA

FROM THE beginning of next year *financial restrictions* on tha *overseas travel* of Brazilian and foreign residents will be lifted, with Presideot Joao Figueiredo's abolition of the compulsory travel deposit set up in 1976.

Initially this deposit amounted to Cr 1,200 per person or about $1,000 at the then-existing exchange rates.

Until late 1977, the deposit was gradually increased, to maintain it at the $1,000 level while the cruzeiro devalued. It eventually reached Cr 22,800 ($824, at current exchange rates).

The measure was patently unpopular, not only with middle-class Brazilians wanting to travel abroad (businessmen were exempt) but with millions of foreign immigrants, especially Portuguese of modest means, *deterred* by the *expensive* deposit from visiting their homeland.

For some time, the Portuguese and other governments have asked the Brazilian authorities either to abolish the deposit or to grant exemptions for their nationals.

It was also clear, even before he took office, that President Figueiredo was reluctant to perpetuate this restriction.

Many trade experts, moreover, maintained that the deposit cost more to administer bureaucratically than it was worth — and that there were either so many exemptions or evasions that it had outlived its usefulness as a deterrent to unnecessary travel or a contribution to the balance of payments.

Taiwan car export drive

TAIPEI — Taiwan's Council for Economic Planning and Development has approved a set of guidelines to promote large-scale car production for the export market, council officials said.

The guidelines, which will oow be referred to the Executive Yuan (Parliament) for final approval, call for incentives for manufacturers planning to establish plants with an annual capacity of more than 200,000 units with at least 50 per cent for export. The guidelines also call for further development of car parts production. Officials did not however say what incentives would be granted.

Tatung, a leading Taiwan manufacturer of electronic items and electrical appliances, is currently negotiating with General Motors of the U.S. to set up a joint venture to produce 200,000 cars annually with much of that total for export, the company said.

Taiwan currently has six car makers with a projected combined 1979 production of 110,000 units, up from 77,000 in 1978. Most of the production is for the domestic market.

Reuter

MENACE, MYTH OR MAGIC FORMULA?

see page 7

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DIVIDENDS ON 6% SECOND 6% and THIRD 6% PREFERENCE SHARES

NOTICE IS HEREBY GIVEN that the Board of Directors has declared the following dividends payable on the 30th September, 1979, to 6%, Second 6% and Third 6% Preference Shareholders registered in the books of the COMPANY at the close of business on Friday, 31st August, 1979:—

A. 6% REDEEMABLE CUMULATIVE PREFERENCE SHARES — DIVIDEND NO. 41 ...

B. SECOND 6% REDEEMABLE CUMULATIVE PREFERENCE SHARES — DIVIDEND NO. 41 ...

C. THIRD 6% REDEEMABLE CUMULATIVE PREFERENCE SHARES — DIVIDEND NO. 19 ...

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CREDIT LYONNAIS
LOAN OF US$80,000,000 1977/1983 FLOATING RATES
[illegible]
CREDIT LYONNAIS LUXEMBOURG

EMPRESA NACIONAL HIDROELECTRICA DEL RIBAGORZANA, S.A. ("ENHER")
NOTICE OF REDEMPTION
[illegible]
Hill Samuel & Co. Limited.
17th August 1979.

L'AIR LIQUIDE
[illegible]

INTERNATIONAL BOND ISSUE
[illegible]
CREDIT COMMERCIAL DE FRANCE.
Financial Agent to the Company.

LEGAL NOTICES

No. 001556 of 1979
In the HIGH COURT OF JUSTICE Chancery Division Mr. Justice Slade. In the Matter of ESPERANZA LIMITED (formerly ESPERANZA TRADE AND TRANSPORT LIMITED) and in the Matter of THE COMPANIES ACT, 1948.

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 16th July 1979 confirming the reduction of the share premium account of the above-named Company from £3,775,243 to £1,672,356 was registered by the Registrar of Companies on 23rd July 1979.

And on 23rd July 1979 Esperanza Trade and Transport Limited changed its name to Esperanza Limited.

Dated this 14th day of August 1979.
COWARD CHANCE,
Royex House,
Aldermanbury Square,
London, EC2V 7LD.
Solicitors for the above-named Company.

IN THE MATTER OF ANNE GOUGH & COMPANY LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948
NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 18th day of September, 1979, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned: PHILIP MONJACK, FCA, of 3/4 Bentinck Street, London W1A 3BA, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.
Dated this 7th day of August 1979.
PHILIP MONJACK, Liquidator.

IN THE MATTER OF MIYABI LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948
NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 19th day of September, 1979, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned: LEONARD CYRIL CURTIS, FCA, of 3/4 Bentinck Street, London W1A 3BA, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.
Dated this 8th day of August 1979.
LEONARD CYRIL CURTIS, Liquidator.

ART GALLERIES

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BIELDBORNE GALLERIES, 586 3600. CONTEMPORARY ARTISTS OF THE ENGLISH SCHOOL.

FINE ART SOCIETY, 148, New Bond St., W1. 01-629 5116. SUMMER EXHIBITION and WORKS UNDER £500.

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MARLBOROUGH, 6, Albemarle St., W1. EGON SCHIELE. Exhibition of watercolours and drawings, until 31 August. Mon.-Fri. 10-5.30. Sat. 10-12.30.

PUBLIC NOTICES

CITY OF BIRMINGHAM BONDS
NOTICE IS HEREBY GIVEN that the BOND REGISTER will be CLOSED from 1st September to 30th September, 1979, both dates inclusive, for the preparation of interest due 1st October, 1979.
J. DAGE, Principal Chief Officer and City Treasurer. City Treasury Department, Council House, Birmingham B3 3AD.

GATESHEAD M.B.C.
£5m. bills issued 15th August due 14th November 1979 at 12¼%. Applications totalled £35m. £5m. bills outstanding.

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EXHIBITIONS

ALL ABOUT THE NATIONAL TRUST. An exhibition in the visitor's gallery of the Stock Exchange, open every weekday from 10.30 a.m. to 3 p.m. until September 5th. Admission free.

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UK NEWS

Consumer spending at record £17.67bn

By Peter Riddell, Economics Correspondent

CONSUMER SPENDING on durable household goods and cars and motorcycles rose to record levels in the early summer.

Central Statistical Office figures published yesterday show that the consumer boom between April and June—ahead of the big increase in value added tax—was even larger than at first believed.

The second preliminary estimate shows that the volume of consumer spending in this period was £17.67bn (at 1975 prices and seasonally adjusted). This is an upward revision of £64m from the first estimate issued in mid-July.

Spending in the April-June period was 3½ per cent higher than in the previous three months and 7.4 per cent more than in the same quarter of 1978. Expenditure over the first half of the year was 4.4 per cent higher than the average level in 1978.

The sharp rise in spending was the result of the increase in real incomes over the last year and of a bunching of purchases in June ahead of the VAT increase. Spending is expected to be less buoyant during the rest of the summer.

The Central Statistical Office commented yesterday that between the first and second quarters all retail sales increased strongly, particularly clothing and footwear, furniture, and radio and electrical goods. Spending on alcoholic drinks, particularly spirits, also increased substantially.

Spending on durable household goods rose by 15.1 per cent in real terms between the first and second quarters, and so far this year it is 11.1 per cent higher than the average level for 1978.

Expenditure on cars and motorcycles rose by 32.5 per cent between the first and second quarters, as has already been reflected in the car registration figures.

New Town sales of £140m confirmed

BY CHRISTINE MOIR

MR. MICHAEL HESELTINE, Secretary for the Environment, yesterday confirmed that the Government is ready to embark on property sales worth about £140m before next April.

The sales are to be made by the 21 English New Towns and amount to around a fifth of their revenue-producing assets.

Earlier this month it was reported that, in secret talks with the authorities responsible for developing the New Towns, Mr. Heseltine had ordered them to come up with a disposal programme which would raise about £100m.

This sum was to be in addition to a further £40m or so of property sales enforced on some of the New Towns through borrowing restrictions imposed both by the previous Government and in the latest Budget.

The New Town authorities were given until the middle of this month to make their plans. During that period a one-month moratorium was imposed on any new contracts for further development.

That moratorium has now been lifted as the authorities have agreed to the "substantial disposals" which, according to an official statement issued yesterday, are designed "to release resources for investment and to reduce the involvement of the public sector."

In the 30 years since New Towns were established to encourage people and industry out of the congested conurbations, they have received some £2.35bn worth of Treasury loans, usually on fixed interest terms over 60 years.

Now the political climate has changed towards rejuvenating inner cities and the New Town concept has fallen from favour. In ordering the selling of such a high proportion of their assets, the Government is ensuring that the New Town movement is diminished in size and importance.

The property sales will also have the effect of absorbing a significant proportion of new funds set aside by financial institutions for property investment. The Government must be hoping that they will help to limit a boom in general property values based on excessive demand by the pension funds and insurance companies in this sector.

Healey and Baker, a large firm of chartered surveyors, has been appointed to advise Mr. Heseltine on the sales. Its main function will be to prevent the institutions from picking up properties too cheaply. It is also likely to advise the Minister as to whether a fast auction of prime properties will leave the New Towns with a lossmaking rump of poor buildings which would never find a market.

Engineers' action may delay BL Mini plan

By Hazel Duffy, Industrial Correspondent

SENIOR MANAGEMENT at BL is urgently studying the threat to the new Super Mini programme by the engineering workers' industrial dispute. A statement may be made to the workforce some time next week.

The Super Mini, now officially named the Mini Metro, is expected to be launched in the second half of next year. So far the development programme, which includes restructuring a large part of the Longbridge plant, is on target.

But the possibility of the engineering unions' industrial action being stepped up to two-day strikes each week next month could seriously delay the programme by holding up the commissioning and installation of new plant.

BL is the only car manufacturer belonging to the Engineering Employers' Federation, which has refused to meet the unions' claim for a package of proposals, including an £80 a week minimum rate for skilled workers.

BL, along with the vast majority of the federation's 6,500 member companies, is giving full backing to the stand.

The one-day strikes held throughout BL have also hit production of existing models. The overtime ban caused disruption at several BL plants this week by halting maintenance of plant usually performed during overtime.

If the dispute leads to two-day strikes, it would also start to disrupt supplies to BL and other car manufacturers as most of the component manufacturers are members of the federation.

The Acrow engineering group and BL issued a joint statement yesterday saying that the two companies are having discussions aimed at a possible association between Acrow and Aveling Barford. Such an association "would strengthen Aveling Barford and provide it with a secure basis for future development."

Three companies in the Aveling Barford group—Goodwin Barsby, Barfords of Beltoo, and Aveling Marshall—are not included in the discussions.

Building societies in £370m merger

BY ANDREW TAYLOR

THE LONDON GOLDHAWK and South of England building societies, which have combined assets of £370m, are to merge next year.

The merger will put them into the top 20 of the largest societies.

Mr. Leonard Dally, general manager of Goldhawk, said that both societies were well known in London and the South. The merger would cut costs and provide a stronger base for members. It is planned to take effect from May 1, next year.

Last month the Chief Registrar of Friendly Societies asked Goldhawk to take over the running of London and Midland building society, with assets of £300,000, after cash shortages emerged.

Goldhawk and South of England will control about 70 branches and 210,000 share accounts.

Meanwhile Halifax, the country's largest building society, yesterday announced its half-yearly figures, showing lending at a record £925.6m—of which £854.6m went on a record 77,953 mortgages.

At the same time, assets of the society have increased to £8.182bn. Liquid funds as a percentage of assets fell, however, from 18.2 per cent to 16.5 per cent reflecting the higher rate of lending.

Malting to stop

CARDIFF MALTING Company has decided to stop malt production and concentrate on its property investments, writes David Churchill.

The company said yesterday that high labour costs in the traditional malting process made it uncompetitive. All existing contracts would be honoured.

New oil block drilling starts

BRITISH PETROLEUM and the British National Oil Corporation have started to drill an exploration well on their newly awarded block north-west of the Shetland Islands.

BP's drilling rig Sea Conquest is sinking a well in 1,100 feet of water on the sixth licence round block 206/15. The licence was awarded a few days ago. The well is the second to be started under the terms of the new sixth round of licences.

Voluntary work 'penalised'

JOBLESS PEOPLE should not lose their unemployment benefit if they perform voluntary work, the Volunteer Centre, a national advisory agency on community involvement, says today.

APPEAL COURT JUDGMENT IN ROSSMINSTER CASE

Why warrants for tax raids were invalid

BY DAVID FREUD

THE WARRANTS by which the Inland Revenue conducted a series of raids last month to find evidence of suspected tax fraud were invalid, the Appeal Court ruled unanimously yesterday.

The warrants did not specify the particular fraud suspected, the three judges argued. Those raided, therefore, did not know of what offence they were suspected, as they were entitled to.

Lord Denning, Master of the Rolls, said: "As far as my knowledge of history goes, there is no search like it and no seizure since April 30, 1763, when the Secretary of State issued a general warrant by which he authorised the King's Messenger to arrest John Wilkes and seize all his papers."

When Wilkes applied to the court, Chief Justice Pratt struck down the warrant, saying that such invasion of a man's house was worse than the Spanish Inquisition.

The application for a judicial revenue by Rosminster and connected companies and individuals turned on the interpretation of Section 20C of the Taxes Management Act. That states that a warrant may be given to the Revenue by a judge on information that "there is reasonable ground for suspecting that an offence involving any form of fraud with, or in relation to, tax has been committed and that evidence of it is to be found on premises specified in the information."

The section goes on: "On entering the premises with a warrant under this section, the officer may seize and remove any things whatsoever found there which he has reasonable cause to believe may be required as evidence for the purposes of proceedings in respect of such an offence."

Lord Denning said it should be assumed that there was laid before the judge who granted the warrant material that did justify the suspicion and give reasonable ground to suspect that people were guilty of some offence involving tax fraud.

"The legislation, enacted in 1976, was opposed by many as a danger to individual freedom and was passed by only a narrow majority.

"Many will ask: Why have they allowed search and seizure? It was done because the Inland Revenue were very worried by the devices of some wicked people.

Lord Denning

"In the tax evasion pool there are some big fishes who do not stop at avoidance. They resort to fraud on a large scale.

"Those who defraud the Revenue in this way are parasites who suck out the life-blood of society. The trouble is, the legislation is drawn so widely that in some hands it may be used as an instrument of oppression.

"Once great power is granted, there is great danger in it being abused. It is the duty of the courts to construe the statute to see it encroaches as little as possible on the people of England.

"The challenge made here is that the warrant does not specify any particular offence involving fraud. The justification is: 'We don't want to tell more to those whose premises have been searched because it would tell them too much.'"

Lord Denning pointed out that a decision of the House of Lords had established that when a man was arrested, the offence had to be specified.

"Arrested with or without a warrant, a subject is entitled to know why he is deprived of his freedom."

Lord Denning continued: "Here the officers of the Inland Revenue came around with a warrant to a man's house. It seems he is entitled to say, 'Of what offence do you accuse me?'"

Unless he knew the particular offence he could not take steps to secure himself or his property.

A second question was whether the officer of the Revenue was the only person to decide what was reasonable cause for the seizure of specific documents. "Is he the sole arbiter? Surely not."

"It means that these officers would be exempt from any control of the court until any criminal case took place. It means that no one has any control over the operation of the officers of the Inland Revenue."

Lord Denning added: "This case has given us much concern. No one would wish that any of those who defraud the Revenue should go free. They should be found out and brought to justice.

"But it is fundamental to our law that the means adopted to this end should be lawful. The means should not offend against the right of freedom and the elemental right of property."

Lord Justice Browne and Lord Justice Goff both concurred.

Lord Justice Browne said: "The warrant must specify the general nature of the offence that is suspected."

Private companies 'not so profitable as quoted ones'

BY ANDREW FISHER

BRITAIN'S PRIVATE companies are collectively less profitable than their quoted counterparts, despite faster rates of sales growth and investment over the past year.

This conclusion is drawn by Jordans, the corporate information service, from its latest edition of Britain's Top 1,000 Private Companies, published yesterday.

Czarnikow Group, the London commodity brokers, again heads the overall list, with 1978 sales of £1.1bn, followed by the Western United Investment foods group, and Littlewoods, the football pools, mail order and retail organisation.

In profit terms the leader is the Wellcome Foundation in the pharmaceutical sector, with a pre-tax figure of £51.1m in the year to last August. Littlewoods and John Swire, the overseas trading group, took the next two places.

Pre-tax profits growth of the private companies have lagged behind that of sales, and their profit margins have slipped from 4.23 per cent to 4.08 per cent since last year's survey.

This compares with 7.2 per cent for quoted industrial companies, on which Jordans also recently published a survey.

Total sales of the 1,000 private companies climbed by 15.9 per cent to £16.6bn—on the quoted front, the rise was 12.9 per cent — while their taxable profits were 11.6 per cent higher at £679m.

The private company with the best profit margin was Imperial London Hotels with 29.6 per cent. Heading the export list was the John Howard civil engineering concern, with 93 per cent or £104m of its sales overseas.

Britain's Top 1,000 Private Companies 1979, published by Jordans, £15.

Magnet motors

ASR SERVOTRON, the company in which the National Enterprise Board earlier this week announced it is taking a stake, is not the only company in Europe making permanent magnet motors to be incorporated into automated systems for industrial applications.

There are several manufacturers on the Continent. One of the biggest manufacturers in this country is SEM, of Sydenham, part of the Burroughs Group.

Money supply (M3) up 0.8%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

STERLING M3, the broadly defined money supply, rose by £427m, or 0.8 per cent, in the four weeks to July 18, on a seasonally adjusted basis. It was the first month of the new target period, an annual increase of 7 to 11 per cent up to mid-April 1980.

However, M1, the narrowly defined money supply, rose by £642m, or 2.4 per cent, in the month after its 0.8 per cent fall in May-to-June. Over the past three months, sterling M3 has risen by 3.4 per cent and M1 by 1.7 per cent.

Domestic credit expanded by nearly £400m last month after a rise of £882m in May-to-June. The change was mainly because bank lending in sterling to the UK private sector rose by much less than before: £381m, against £1.03bn. But bank acceptances held outside the banking system rose by about £150m, although these do not show up in the domestic credit figures.

Continued high public-sector borrowing was fully offset by sales of debt to the non-bank private sector, notably financial institutions and the public.

The external impact remained small. Although the official reserves rose substantially, overseas holdings of public-sector debt and overseas sterling deposits increased further.

GROWTH OF MONETARY AGGREGATES (£m)

	Money Stock M1 Unadjusted	Money Stock M1 Seasonally adjusted	%	Money Stock M3 Sterling Unadjusted	Money Stock M3 Sterling Seasonally adjusted	%	Bank lending* Unadjusted	Bank lending* Seasonally adjusted	Domestic credit expansion Unadjusted	Domestic credit expansion Seasonally adjusted
June 21	−312	−28	−0.1	209	402	0.9	637	501	514	517
July 19	763	549	2.3	935	666	1.4	1,005	428	654	118
August 16	135	150	0.6	−487	−223	−0.5	−163	311	−388	−188
Sept. 20	137	249	1.0	478	460	1.0	11	16	540	642
Oct. 18	478	235	1.0	535	334	0.7	415	397	587	464
Nov. 15	40	44	0.2	254	306	0.6	269	443	150	251
Dec. 13	989	585	2.3	950	770	1.5	5	474	1,241	1,059
1979										
Jan. 17	−548	213	0.8	332	996	2.0	1,216	483	345	795
Feb. 21	−221	195	0.8	−33	507	1.0	1,125	1,129	387	1,057
Mar. 21	303	34	0.1	−346	−445	−0.9	426	729	−396	−329
Apr. 18	1,516	786	3.0	1,610	723	1.4	543	535	1,760	823
May 16	−187	38	0.1	419	728	1.4	618	819	507	997
June 20	−403	−212	−0.8	610	402	1.2	1,096	1,025	1,136	882
July 18	772	642	2.4	777	427	0.8	1,728	381	948	399

* To private sector in sterling including Bank of England Issue Department holdings of commercial bills.
Source: Bank of England

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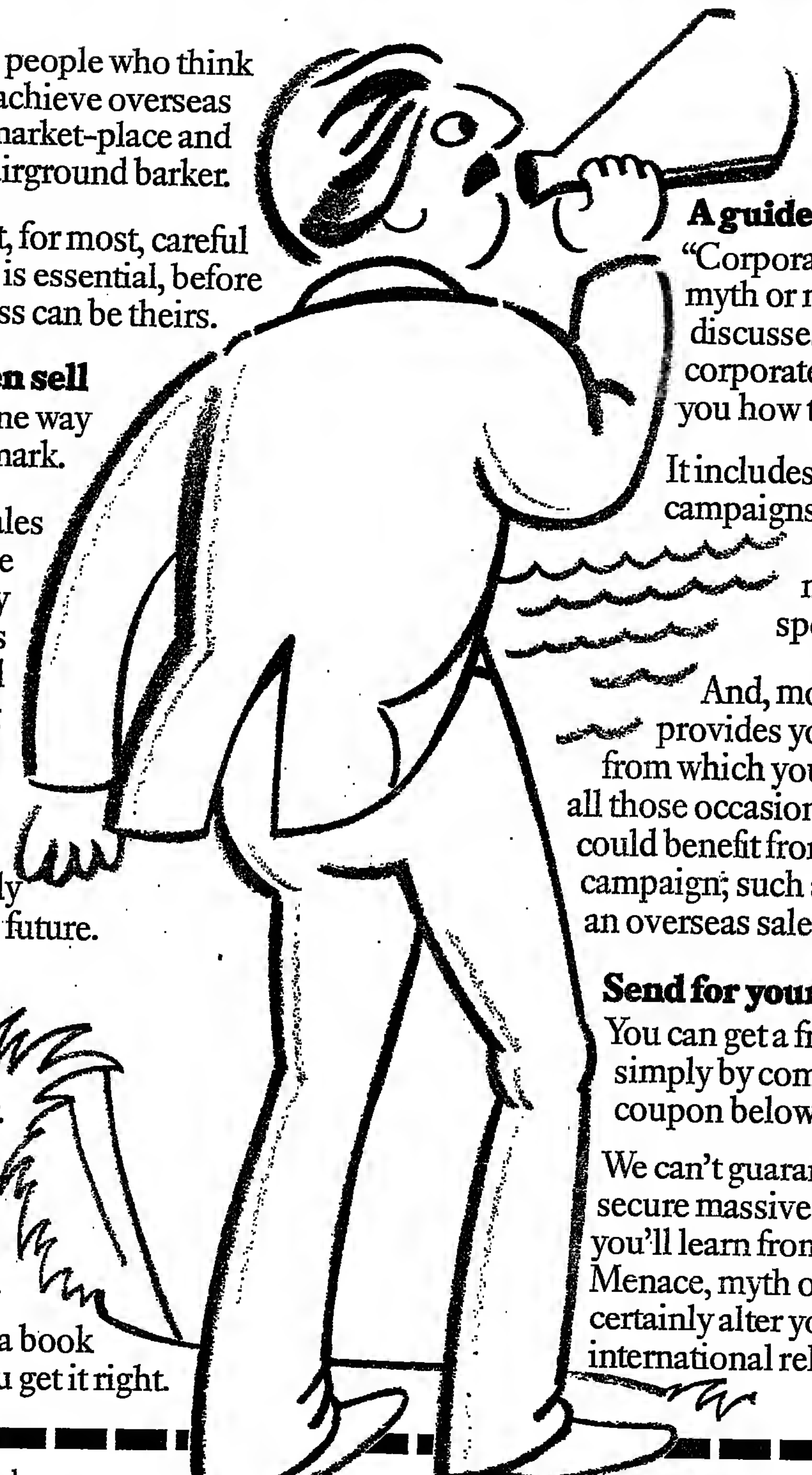

There are still some people who think all they have to do to achieve overseas sales is to get out into the market-place and hawk their wares like a fairground barker.

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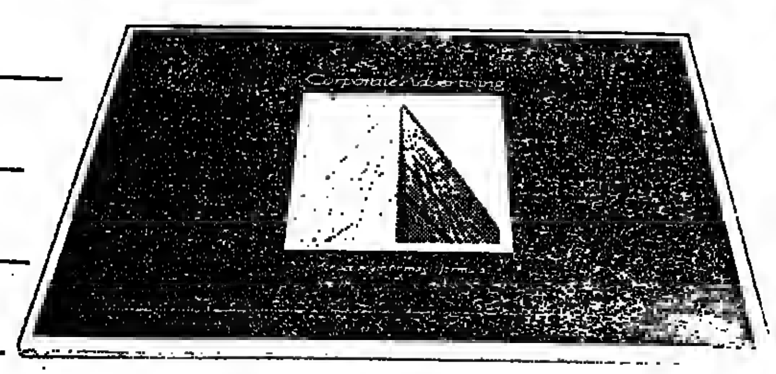


FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

State airline plans further fare increases

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS, which with other airlines is raising its international fares by about 12 per cent from September 1, will have to consider further fares increases in the New Year, as a result of rising fuel prices.

The airline is also introducing a major new economy drive to cut out waste in all departments.

Mr. Roy Watts, chief executive, tells staff in the latest issue of British Airways News that while the airline had planned to spend £300m on fuel this year, it now expects to spend £425m.

The fare rises from September 1 will restore some of the difference, but will still leave a substantial shortfall.

"And in the longer run, of course, these higher fares, with the decreased level of economic activity in the world because of oil price rises, will reduce predicted airline growth, if only temporarily," he adds.

At the same time, the strengthening value of the pound in recent weeks has helped to reduce the value of the airline's overseas earnings. "Because over 50 per cent of our airline revenue is earned abroad, we get much less sterling after that money is converted to pounds," says Mr. Watts.

Traffic so far this year is booming," Mr. Watts says. "We were planning on an increase in passenger volume of 13 per cent, and we are actually doing 3 per cent better than that. That is a very great achievement. Moreover, cargo traffic volume is on budget, in spite of many problems not of our making."

But, says Mr. Watts, in the short-term, in spite of booming traffic, we have a problem, as a result of sharply rising costs, primarily of fuel.

"It will not change the character of future competition nor the movement towards a predominantly leisure market. It might slow down growth in the short-term, and push 1986 predictions to 1987.

"And it might mean our getting rid of some of our older, fuel-inefficient aircraft sooner than we had expected, but without materially affecting our fleet acquisition programme."

Mr. Watts says he has taken a number of steps to improve the situation. "We shall pursue further tariff (fares) increases in the new year to close the gap caused by fuel price rises. We shall drive for more sales.

"We shall review all our charges for work we do for other airlines. We shall cut our winter programme by 5 per cent to conserve fuel and still carry our traffic at higher load factors.

"Over and above all this we shall improve performance to our customers. Punctuality so far this year has been poor, with only some 60 per cent of short-haul flights departing within 15 minutes: and even poorer punctuality on longhaul.

"If we intend to succeed in the future, we must look after our customers today. Without them we have no purpose. Unless we satisfy them, we have no justification."

● British Airways has been granted overflying rights by China, that will substantially cut the flying times on routes between Western Europe and some Far Eastern points, thus also saving fuel.

Jets flying on routes to Hong Kong via Bangladesh, India and the Middle East, up to 20 flights a week, will be able to take a short cut across Chinese territory from September 1, that will save up to 240 miles, or 35 minutes' flying time per flight, and up to 1.5m gallons of fuel a year.

Permission to use the short-cut follows the recent agreement with China for BA flights to Peking from next April 1.

Electronic market 'set for £150bn'

BY JOHN LLOYD

THE WORLD market for electronic information systems will grow to £150bn by the late 1980s, according to a report by stockbrokers Laurie, Millbank.

Within that figure, the report expects the distributed processing market—minicomputers and computer peripherals to grow from £5bn to about £20bn by the late 1980s.

The world telecommunications market is forecast to grow from about £14bn to about £30bn in the late 1980s. The biggest market throughout that period will remain the U.S., though growth rates will be highest in Western Europe and the Middle East, at more than 10 per cent.

The report says that every type of electronic communication system "will show very rapid growth over the next decade, outpacing virtually every other industry.

"Within the next decade it is possible that most white-collar workers will be equipped with electronic terminals."

Microelectronic-based technology represented "both an opportunity and a threat" for the UK. The threat was "not what happens if the UK invests heavily in microelectronic-based automation but rather what happens if we fail to make the appropriate investment."

The report is critical of Britain's telecommunications industry, saying that while the international rate of growth was about 12 per cent, "the position in the UK is one of stagnation."

However, it expects the market to grow, resulting in an increase in the profitability of the major manufacturers.

The report reviews the performance of major UK electronics and communications companies.

Decca "has been unable to achieve profits growth in a period when competitors have been doing very well."

Ferranti: "The pre-tax margins and the return on capital are very low and not appropriate to a company with growth aspirations."

General Electric Company (GEC): "There have been recent suggestions that the rate of growth may be slowing down. We do not necessarily subscribe to this view."

ICL "is well placed with a viable product range to take full advantage of the growth in the computer market."

Muirhead "is involved in a very specialised market where growth is relatively slow."

Plessey "has the products and the potential to achieve growth in the 1980s"

Pye: "Despite impressive backing in skills and technology Pye has been a dreary performer."

Racal "has an outstanding growth record . . . (will) continue to show well above average growth."

Standard Telephone and Cables (STC) "now appears likely to achieve a good rate of growth."

Howe interview unpatriotic, Healey declares

BY ELINOR GOODMAN, LOBBY STAFF

MR. DENIS HEALEY accused his successor as Chancellor of the Exchequer yesterday of unpatriotic behaviour in running down Britain abroad.

He had, he said, been stupefied to read an account of what Sir Geoffrey Howe had said about the British economy in an American interview. Politicians abroad, he said, did not usually "foul their own nests" and he could only assume that Sir Geoffrey was trying to talk down the value of the pound.

Sir Geoffrey was reported this week as telling an interviewer in New York that he believed the British economy was off course, and that in some circumstances bankruptcies might be the best remedy.

Mr. Healey was quick to capitalise on Sir Geoffrey's remarks, which he sought to present as a big political gaffe. Speaking on BBC radio's World at One, Mr. Healey said that even more astonishing than what Sir Geoffrey had actually said was his "complacency" about the situation he had described and which was, in any case, partly of the Conservative Government's making.

If, as Sir Geoffrey was reported to have said, the engines of the British economy were failing, it was because the Government was starving them of fuel. In the same way, the economy was off course because the "skipper of the ship" did not believe it was possible for any government to manage the economy.

Mr. Healey warned that, as things were going at the moment, it would not only be inefficient companies that went bankrupt. The Government's policies were going to send a lot of efficient companies to the wall and destroy large parts of manufacturing industry.

Police are awarded pay rises averaging 13.5%

BY CHRISTIAN TYLER, LABOUR EDITOR

Police officers up to the rank of chief superintendent were awarded average pay increases of 13.5 per cent yesterday in one of the first big public-sector deals of the new wage round.

Meanwhile, 800 senior officials of the Greater London Council are to get rises of 23 per cent, compared with 15-21 per cent agreed last week for other white-collar staff.

The police, who secured a historically large increase between September 1978 and last May of between 30 and 45 per cent at a cost of £250m, have settled somewhat below the present rate of price inflation.

A new police negotiating board, chaired by Lord Plowden, agreed the award after considering the movement in the index of average earnings.

The pay of chief superintendents outside London (rates higher) will rise on September 1 from £10,800 to £12,258 or £13,110 after three years' service.

Constables will start at £4,086 compared with £3,600, rising to £6,471 after 15 years' service: sergeants' pay after four years' service moves from £6,250 to £7,095.

The equivalent rates for inspectors change from £7,100 to £8,058 and for chief inspectors from £7,900 to £8,967.

Negotiations for the higher ranks are continuing.

This is the first negotiation since the collapse of the former negotiating body and the subsequent inquiry under Lord Edmund-Davies, which made a two-stage award under the Labour Government.

When the Conservatives won the election they advanced the payment of the second stage to May.

The GLC said yesterday that the award to its senior officials would be paid for out of an agreed staff reduction of 3,900, half of which had been carried out.

The rises range from £2,070 a year for those on £9,000 a year, to £2,829 for those on £12,000. Negotiations for officers earning more than £13,000 will begin next month.

Negotiators tell rig caterers to go back

By Our Labour Staff

UNION NEGOTIATORS yesterday recommended that more than 500 offshore catering workers who have been on strike for three weeks should return to normal working.

That followed talks at the Advisory, Conciliation and Arbitration Service offices in Aberdeen.

It was unclear on what the recommendation to return to work was based. The four catering companies employing the strikers are expected to meet the unions again today.

Earlier, officials of the catering companies said that negotiators for the Transport and General Workers' Union and the National Union of Seamen had indicated that they were prepared to reduce the claim.

That was for a minimum of £600 for a two-week-on, two-off period. The companies had offered £440.

The dispute has affected supplies to more than 20 rigs and platforms disrupting construction work but not oil supply.

The unions had given a warning that tugboat crews working at the Sullom Voe oil terminal in the Shetlands might join the dispute and that that would affect oil distribution.

ACAS talks agreed in television dispute

BY OUR LABOUR STAFF

THE TWO sides in the independent television dispute agreed yesterday to meet officials of the Advisory, Conciliation and Arbitration Service this morning.

Officials of the Independent Television Companies Association and the two principal unions in dispute, the Association of Cinematograph, Television and Allied Technicians and the National Association of Theatrical, Television and Kine Employees will attend.

Negotiators for the Electrical and Plumbing Trades Union, which is also in dispute, will not be at the ACAS offices but will be kept informed of developments.

Mr. John Wilson, general secretary of NATTKE, said yesterday that his union's negotiators were now recommending a strike of the union's 7,000 membership in the independent television companies to take effect between Saturday and Tuesday.

The recommendation, which will be put to membership meetings, is partly a reflection of the union's disappointment that there has been little progress towards settling the dispute. All companies except Channel have already been blacked out for a week.

A meeting of members of ACTT yesterday endorsed their negotiators' stand on pay.

The television companies have already told the unions that they are not prepared to go to arbitration over their total offer of about 15 per cent, but would be prepared to submit craftsmen's differentials to arbitration.

New life insurance business up 22%

BY ERIC SHORT

NEW LIFE assurance business remains buoyant, despite forecasts that it would be dull following last year's success.

New annual premium business was 22 per cent higher in the second quarter at £175m, compared with £143m in the same period last year, according to life company association figures issued yesterday.

A similar increase was recorded in the first quarter.

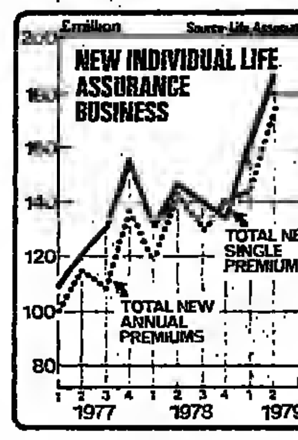
Last year, new individual annual premiums rose by 21 per cent and it was felt that such an increase was unlikely this year, especially with a dull house-purchase market and unsettled industrial relations.

Mr. Peter Sharman, the outgoing chairman of the Life Offices Association, had made the forecast in February. But at the half year stage, new individual annual premiums totalled £319m, 22 per cent up on 1978, thus maintaining last year's rates.

The greatest growth so far has come from sales of regular premium unit-linked life assurance. These jumped by 64 per cent in the second quarter from £15.7m to £25.8m and by 61 per cent from £29m to £46.8m, in the halfyear. This reflects the use of such contracts in tax mitigation schemes.

Traditional life business has also shown steady growth this year.

New annual premiums in industrial life business, where agents collect premiums from policyholders' homes, rose by 30 per cent to £45.4m in the second quarter and by 25 per cent to £82m in the first half of 1979.



This growth confirms that there is still a steady demand for this type of cover, sold primarily for its savings element.

Ordinary life business advanced by 24 per cent in the second quarter to £81.1m, leading to a 22.5 per cent rise to £147.2m over the half-year.

Single premium individual life business over the quarter rose by 31 per cent from £125m to £163.3m. Over the half-year it was 28.5 per cent up to £307m.

Growth in single premium linked-life bonds, however, was comparatively dull, rising by only 15 per cent from £75.5m to £86.7m.

The popularity of annuities and guaranteed income bonds was the main reason behind non-linked single premiums rising by over 50 per cent from £49.5m to £76.6m.

NALGO water staff in pay offer protest

ABOUT 400 Thames Water staff based at Nugent House, Reading, will be taking one day leave today in protest at an 11 per cent pay offer.

The staff, who are members of the National and Local Government Officers' Association, are angry that the offer falls far short of rises of 29 per cent given to manual staff and offers to the authority's directors and senior officers of 16 per cent.

The two day holiday will involve disruption of land drainage and engineering work, pollution prevention, River Thames navigation, boat licensing and fishery management.

Union warns steelmen against 'selling jobs'

BY ROBIN REEVES, WELSH CORRESPONDENT

"DON'T SELL your jobs to the BSC" is the battle cry of a broadsheet published yesterday by the Transport and General Workers' Union in Wales. The broadsheet is part of a growing campaign against the proposed shutdown of steelmaking at Shotton, North Wales, with the loss of more than 6,000 jobs.

It accuses the British Steel Corporation board of being "the most muddled and misguided collection ever to run a major industry," and, together with "the Government," of "arrogantly ignoring" simple economic arguments for modernising steelmaking at Shotton.

The Shotton workers are urged to beware of the promises of fabulous "golden handshakes" from the Corporation, supplemented by generous handouts from the EEC.

"Our experience of the closure of steelmaking at Ebbw Vale and East Moors (in South Wales) paints a very different picture. Workers from these plants have quickly learnt the harsh realities of life on the dole, and their families have suffered as the supposed golden handshakes have disappeared, in the struggle to keep pace with rising prices."

The broadsheet reports gloomy interviews with redundant steelworkers in South Wales, stressing that compensation payments on average have been smaller than is generally believed, and that they do not last long if the redundant worker cannot find another job quickly.

It adds: "There is simply no way that Deeside could ever survive such a hammer blow. The political and economic climate has never been more unfavourable, with cuts in Government spending and the slashing of aid to industry. There is no hope that new jobs could be brought into the area in sufficient numbers."

"If Shotton steelmaking closes, Deeside will quickly become a no go area, no jobs, no future for the younger generation and no hope."

Operating profits up £45m for air carriers

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE UK airline industry is estimated to have earned a total operating profit last year of £125.6m, considerably more than its £80.5m in 1977.

The estimate is in the latest annual digest of civil aviation statistics compiled by the Civil Aviation Authority.

The authority gives no further details of the results beyond stating that total operating revenues amounted to an estimated £1.956bn against expenses of about £1.831bn, also much more than in the previous year.

A contributing factor to the improvement was undoubtedly the boom in passenger traffic, stimulated by cheaper fares, especially on long-haul international routes.

After interest and other items, however, the overall net profit is likely to be well below the operating profit.

The authority does not analyse the 1978 figures according to contributions from the public sector (British Airways) and the independent airlines, because of difficulties in obtaining figures, and the varying financial years of the airlines.

But the bulk of last year's improvement is likely to have come from British Airways. That airline has reported an operating profit of almost £110m for 1978-79, up £31m on the previous year.

Among the independent airlines, British Caledonian has also reported record pre-tax profits of more than £12m for the financial year to end-October, 1978, £4m up on the previous year.

Road transport training levy

MR. JAMES PRIOR, Employment Secretary, has approved Road Transport Industry Training Board proposals for employers to pay a levy equal to 1 per cent of their payroll in the year to last April 5.

Call for cost levy on festival organisers

THE NATIONAL Association of Local Councils has called for a special levy on organisations which hold large festivals—like "pop" concerts—in rural areas.

The association wants festival organisers to pay towards costs incurred by local authorities having to provide policing, refuse collection, sanitation and public health services for events.

The NALC has suggested to the Government that a licensing system could be introduced with organisers entering into a bond to guarantee that local expenditure costs are met.

Unit trusts report 12% improvement in sales

BY TIM DICKSON

UNIT TRUST groups last month were rather more successful in attracting money from investors. Sales of units in July were roughly 12 per cent up on the dismal level recorded in June, though in the same period repurchases (units cashed in) also nudged ahead leaving net new investment of only £3.76m.

This compares favourably with the £1.62m of net new investment in June but it is well down on the extra £13.7m passing through fund managers' hands in July 1978.

Last month's figures continue what has so far been an extremely poor year for unit trust sales—in March there was actually a net outflow of money from the movement for the first time for about 20 years.

Total net new investment in the first seven months of 1979 amounted to £35.8m, against £184m in the equivalent period last year.

Mr. David Maitland, managing director of the Save and Prosper Group, said yesterday that the July statistics were satisfactory "bearing in mind the quietness of the stock market."

He predicted that the low demand for units would probably continue for another four or five months "while people rebuild their liquidity in the wake of the budget tax cuts."

Peter Glynn dies

MR. PETER GLYNN, a leading figure in the UK fire protection industry, has been killed in a road accident near Wolverhampton.

Mr. Glynn, who was 48, was managing director of Merrol Fire Protection Engineers of Bilston, West Midlands. He was one of the co-founders of the British Automatic Sprinkler Association, set up in 1974 to promote the more efficient use of sprinkler systems. He leaves a wife, Janice.

More redundancies at Meriden

BY ELAINE WILLIAMS

A FURTHER 60 jobs are to be lost at the troubled Meriden Motorcycle Co-operative.

The latest move, agreed yesterday at a mass meeting of the workforce, comes a day after the co-operative's 200 creditors supported its desperate efforts to save the factory by finding a suitable financial backer.

The new redundancies, made necessary by a cut in production, will bring the total jobs lost at the factory to 170 since its latest troubles began earlier this year.

The company hopes to prevent further job loss by introducing early retirement for workers between 60 and 65. This was unanimously agreed at the mass meeting.

Mr. Geoffrey Robinson, MP for Coventry NW, and unpaid chief executive of the co-operative, will continue to visit European motorcycle manufacturers in his search for a backer with the resources to help Meriden.

It needs £1.2m to repay interest on a £4.2m Government loan and further capital to fund production for the winter, and also has to pay back another £1m to creditors.

Mr. Robinson told the creditors on Wednesday that there had been several approaches including a "pretty definite offer," although he was not likely to have any firm statements to make before the end of September.

To save money, the co-operative has relocated its main assembly line and vacated 80,000 sq ft of building. Yesterday it resumed production on a four-day-week basis, making 200 machines, instead of 300, a week.

Kelvinator job loss fears

KELVINATOR, THE refrigerator manufacturer, has warned of redundancies among its 520 staff at Bromborough, Merseyside, because of continued losses resulting from intense competition in home and overseas markets.

The company, the UK subsidiary of White Consolidated Industries, the U.S. Electrical appliance group, claims that in June exports, which normally account for 40 per cent of output, were down by 90 per cent over normal volumes.

The problems have been caused by the strength of sterling and the closure of a number of important markets.

The company was a big supplier to Nigeria which stopped refrigerator imports last year, and, although it did not supply directly, Kelvinator has also been affected by the closure of the Iranian market.

The rise in sterling has also made it much easier for importers, particularly from Italy and Scandinavia, to sell in the UK, where Kelvinator is trying to establish its own brand supplier to the electricity boards and store groups.

The company said yesterday that no figure had yet been placed on the number of jobs likely to be lost. Labour relations had been excellent and it was hoped to keep as many jobs as possible with the introduction of new models to supplement the existing range.

● The strength of sterling was also blamed yesterday by Quayle Carpets of Kidderminster for the loss of 50 jobs at its Axminster factory. The company said that increased VAT had held back sales on the home market.

Chatham Co-op merger

BY OUR CONSUMER AFFAIRS CORRESPONDENT

THE CHATHAM Co-Operative Society is to merge with the Invicta Co-Operative Society to form a Kent-based trading organisation with a turnover of £41.5m.

A meeting of the Chatham society members voted by 113 votes to 10 for the merger. The new society will have a membership of 115,000 and will employ 2,000 people.

The merger follows long-standing plans within the movement to create fewer retail societies and so enable the benefits of large-scale trading to help co-op stores compete with recent tougher High Street trading.

But it seems almost certain that Invicta will not be joining the merger plans of the two largest south-east co-operatives outside of the London society. The Royal Arsenal society and the South Suburban society are currently holding merger talks to create a new society with a £200m a year turnover.

The Chatham Invicta link-up is seen as a logical move to enable Invicta's greater management expertise to help the Kent co-op movement combat the especially fierce trading there. Tesco, for example, is currently negotiating to buy Cartiers supermarket chain in Kent to increase its local trading dominance.

Asbestos code draft published

A DRAFT code giving practical advice on precautions needed in work involving asbestos insulation and sprayed coatings, was published yesterday by the Health and Safety Commission.

The consultative document deals with all aspects of such work. It includes advice on informing workers of the health risks associated with asbestos, and ensuring they are trained to use personal protective equipment and are familiar with the methods of preventing asbestos fibres escaping from the work area. Advice is also given on the disposal of asbestos waste.

● NEWS ANALYSIS—HUNTERSTON

Demarcation row returns

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE DISPUTE that has kept British Steel Corporation's £100m Hunterston ore terminal idle since its completion last spring has brought the inter-union demarcation dispute back to UK industrial relations, to the discomfort not only of the employers but also of the unions involved and the TUC.

Demarcation rows, the plague of British industry for decades, have been disappearing, helped by the voluntary procedures introduced by the TUC, which brings unions together in an attempt to show them that internecine struggle works against the individual, as much as the common good.

But the Hunterston dispute bears all the hallmarks of industrial relations 20 years ago, and neither Mr. Len Murray, the TUC General Secretary, nor Mr. Jim Prior, the Employment Secretary, who have both been involved at some stage, have been able to resolve it.

The dispute started in January when dockers, members of the Transport and General Workers Union, found out that the British Steel Corporation had concluded a manning agreement with the main steel industry union, the Iron and Steel Trades Confederation, giving its members the majority of the 60 new jobs at the terminal on the Clyde.

The corporation had assumed that Hunterston would inherit the manning arrangement at General Terminus Quay, the 22-year-old terminal in the centre of Glasgow that it the new installation has been built to replace. There, dockers tie up ships and remove hatch covers, but confederation members operate the cranes that unload iron ore into railway wagons.

The corporation wanted the new unloading equipment, the conveyor belts, and the ore stockyard at Hunterston to be manned by its own employees, and had offered the jobs to men being made redundant from General Terminus and from Glengarnock, where open hearth steel-making was ended in December, 1978. Key personnel had already been sent to Holland for training.

But the dockers saw things differently. To them Hunterston was not merely an ore terminal but possibly the first stage of a new general-purpose port. This view was reinforced by the fact that technically the Clyde Port Authority, not the steel corporation, was the employer at Hunterston.

Blacking

Although it is not designated as a port under the Dock Works Scheme and has no facilities for handling general cargo, they insisted that the jobs go to registered dock workers, many of whom are unemployed in the West of Scotland. They blacked the terminal, effectively preventing any ship from calling there.

Despite countless meetings and promises given privately to Mr. Bill Sirs, the confederation's general secretary, by Mr. Moss Evans, the transport union's general secretary, and Mr. Alex Kitson, its executive officer, the rank-and-file dockers group has refused to lift the blacking.

Work was completed on the terminal in March, but the only ship allowed to call there has been the Royal Yacht Britannia, which brought the Queen Mother for a mock opening ceremony.

After the last talks between the two unions a week ago foundered against dockers' opposition, there seems little hope that the dispute can be ended quickly. Mr. Murray appears reluctant to intervene again, and the confederation is reluctant to take the case to the TUC disputes committee, fearing that the power and influence of the transport union will weigh against it.

Bringing Hunterston into operation is vital to BSC's recovery. Most efficient ore handling is essential if the iron and steel plant at Ravenscraig, modernised for £250m, is to be brought into full production, and the corporation's £83m loss on Scottish operations eliminated in the current financial year.

Ravenscraig made only 1m tonnes of steel last year, less than half its design capacity, and must at least double that figure this year. So far, it is falling one-quarter short of that target.

The dispute is already costing the corporation an extra £3.50 per tonne in handling charges, since the ore has to be transferred at Rotterdam from 100,000 tonne bulk carriers to smaller ships able to get through the outer gate of the Glasgow docks.

But this solution can only be a stop-gap measure. Ravenscraig will need between 3m and 4m tonnes of ore this year, which is far more than General Terminus can physically handle.

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MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

How General Motors aims not to be 'one of the pack' overseas

BY KENNETH GOODING

Alex Cunningham, vice-president in charge of GM's overseas operations.

The second article in a series on the concept of a world car looks at the strategy of America's largest industrial company and how it is planning to redress the imbalance it feels exists between its home and overseas operations. The first feature appeared on Tuesday's centre page.

GENERAL MOTORS might dominate the U.S. automotive industry but overseas it is some way behind the leaders. Last year GM took an 8.8 per cent share of the 21.4m cars and trucks sold outside North America, trailing behind Toyota and Datsun of Japan, Volkswagen of West Germany and its local rival Ford.

Elliott M. "Pete" Estes, president of GM, admits: "Frankly I don't like the idea of GM being just another of the pack overseas." Throughout the 1970s he has been working to change the situation. The aim, he adds, "is to knock the hell out of the competition."

There is, of course, more than pride at stake. The potential for growth outside North America is greater. According to one stockbroker's arithmetic, every percentage point improvement in GM's market share outside North America would add another $180m in earnings a year. To achieve this 1 per cent would require GM to sell about 247,000 more cars and trucks each year.

But GM is clearly not content with only 1 per cent more of the market outside North America. The group announced in June that it would spend over $2bn to expand in Europe and boost annual car production by 300,000 when the new facilities come on stream from 1982 onwards.

This, and other expansion projects, are indications of GM's intent, and Mr. Estes insists he won't be happy until the group at least matches Toyota's 12 per cent. So GM will be spending $13bn (at 1978 prices) in pursuit of this goal over the next 10 years—representing 20 to 35 per cent of its total investment.

Estes' influence on the internationalisation of GM should not be underestimated even though the group operates almost exclusively through committees. When he took over at the head of GMOO (GM Overseas Operations Division) in 1970 he immediately decided that the international operations needed more help and that the U.S. could draw more on the expertise contained in the overseas companies.

In 1972 a strategy team was set up to see how the European business might be made more effective, particularly as Ford was already well down the path towards combining its operations there.

The question the team tackled was: How can GM become number one in Europe? Some fairly obvious conclusions quickly surfaced. The group needed more manufacturing capacity, but that capacity needed to be better placed geographically. GM also needed to change its marketing approach in Europe.

And the going would get tougher. To start with the historic growth rate of the European car markets of 4 to 5 per cent in the 1960s and 3 to 4 per cent in the 1970s would slow to 2 to 3 per cent in the 1980s. The group would therefore have to improve its position in a low-growth market.

Foolproof

In the typical GM manner, the strategy team then went into the long and arduous process of evolving an absolutely foolproof scheme which would take account of all these factors. Two years later when Mr. Estes became president to run GM in partnership with Mr. Thomas Murphy, who became chairman at the same time, the team was still deliberating. Mr. Estes told the European group, in no uncertain terms, to get a move on.

As a result the so-called "matrix" system was set up in Europe. In the barest of detail this involved a switch from a system where each country had its own management and marketing team which insisted on having its local requirements met. This had resulted in a proliferation of product options—at one time Opel was offering more than 100 different types of car seat for example.

Under the matrix system the GM production companies in Europe were given total marketing responsibility wherever their products were sold. At the same time Opel of Germany was made responsible for developing cars for Europe while Bedford, the Vauxhall subsidiary in the UK, was handed responsibility for truck development.

Then administrative support units were set up in each of the various European countries in which GM operates to provide back-up for all the GM companies in that particular country. In effect, this replaced a system whereby each GM company in each country had had its own "headquarters" staff.

The change to matrix resulted in most GM managers having to report to two bosses. For example, the sales director of GM in the UK would have to refer to one boss at Opel on product and marketing matters and to the chief executive of GM UK on matters of administration and local policy. By all accounts the Americans and British took to the new system quite well but some other Europeans are still struggling with the concept, or at least its execution.

This streamlining in Europe involved redundancies, and not only among managers. Two assembly plants, in Denmark and Switzerland, were closed as being uneconomically small, each with the loss of between 2,000 and 3,000 jobs.

GENERAL MOTORS OVERSEAS

Unit sales (millions)		Incomes ($bn)	
1978:	1.97	1978:	11.0
1977:	1.71	1977:	8.4
1976:	1.70	1976:	7.5
1975:	1.50	1975:	7.2

Overseas sales represented 15 per cent of total group sales in 1978. Net income in 1978 was $296m on overseas sales, up 17 per cent on the $253m earned in 1977, and representing 8 per cent of GM's total net income. The group maintains operations in 33 countries overseas, employing nearly 190,000 hourly and salaried employees.

But now that the European operations have bedded in, the expansion which was always part of the programme can go ahead.

It seemed like a spectacular public relations coup by GM when it announced its $2bn investment programme to provide 12,000 new jobs in Austria and Spain, since the announcement was made only weeks after Ford publicly said it would not, after all, go ahead with a new car assembly plant in Europe but would expand existing facilities instead.

However, the timing was merely fortuitous with the necessary government approvals and agreements coming through at about the same time, enabling both the Austrian and Spanish projects to be revealed in one big package.

Although Europe provided the obvious starting point for GM to revitalise its overseas businesses, the rest of the world has not been ignored by any means.

GM sees big potential in the Latin American markets. It recently bought Chrysler's car and truck assembly facilities in Venezuela, to double GM output in that country, as well as a vehicle assembly operation in Colombia where Chrysler was the majority shareholder. It has operations in Brazil and Mexico, two major Latin American markets, and is "number one" producer in two small ones, Chile and Uruguay.

But after suffering severe losses in Argentina GM recently pulled out. This was after "we realised that if we sold every car and truck we could produce there we would still operate at a loss because we had our prices controlled by the Government but our suppliers—and we had to use local suppliers—prices were not."

GM also has a 34 per cent shareholding in Isuzu, a group which is Japan's fifth-largest commercial vehicle manufacturer but which comes only eighth in the car-makers league there. In addition, GM has joint ventures in Korea, Iran and Yugoslavia. Indeed, if GM's overseas operation, with its $11bn turnover, was a separate company it would be the sixth-largest business outside the U.S.

When he took over as president in 1974, Mr. Estes retained responsibility for the overseas operations, something he was able to do because the top management structure was broadened to spread the burden.

At that time GMOO occupied a separate and remote box all to itself on the GM organisation charts. Mr. Estes decided to elevate it to group status within the corporation, a reshuffle which was completed in April last year.

The overseas staffs have been integrated with domestic staffs and the separate staff and management operations have been eliminated. "Our International managers now have shorter, more direct lines of communication to the corporation's policy committee," Mr. Estes points out. "And one of the most effective ways of cementing this integration is to freely rotate employees between our International and North American operations, and that is taking place throughout GM."

Mr. Alex Cunningham, who became the vice-president in charge of overseas operations in March last year, admits: "If you are going to be a truly international organisation, your executives should have an international scope. In the past GM people were a little leery about accepting a post with the overseas operations. Now it is obviously part of the mainstream and people are not so worried."

Mr. Cunningham says that when the overseas operations were independent "we were not using the abundant expertise we have in the corporation to the fullest extent; expertise in engineering, parts warehousing, distribution, marketing and even computer technology. The U.S. domestic divisions were certainly ahead on the use of computer-based management systems."

Expand

The change in status of the overseas operations had much to do with the fact that GM expects the automotive business outside North America to expand more quickly than the domestic market.

"The signs have become more obvious each year starting in 1967 when industry sales of cars and trucks outside the U.S. and Canada first went ahead of those sold in North America," says Mr. Cunningham.

"We don't intend to let this business potential get away from us. The lower car densities overseas are indicative of the opportunities that exist, particularly as family incomes increase and the world-wide drive for mobility can be fulfilled."

GM employees representing overseas and North American operations are now working side-by-side to develop common designs for future cars and trucks that will be at home almost anywhere vehicles are bought and sold. They are also working together to find the best world sources for the components GM needs in a "world product planning group."

This is made possible because of the reduction in car size going on in the U.S. which will make most of the cars sold there in the 1980s similar to those already on the roads in Europe and Japan.

So GM has the chance to produce "world cars." Mr. Cunningham describes the world car as "a vehicle which shares the same basic design and as many common or interchangeable parts as possible and which will compete successfully in the world's major automotive markets, modified and tuned to their particular requirements."

Designers of any "world car" would have to take into account not only obvious things like labour, raw material, power, transport costs and so on but the local content restrictions on automotive manufacturers imposed by some countries and idiosyncracies such as Brazil's determination to have all its cars powered by alcohol before the 1980s are out.

But GM has evolved computer programs which allow this complex work to be done quickly. And some cost-saving rationalisation on a world scale is still relatively simple. "There is no reason to have some wheels that are attached with five bolts and others which need only four bolts," Mr. Cunningham points out.

For the development of specific cars GM uses what it calls the "project centre," a concept used by the National Space Agency for the U.S. space programme," which allows the use of new design techniques (by computer for instance) and technologies when the margins for error are small.

GM's project centres bring together experts in design, manufacturing, assembly, customer service and market specifically for one project. The centre is disbanded when the project is completed. In theory the approach eliminates overlap of work and should ensure that nothing is overlooked as a car is on its way to the market.

Six months ago GM set up a new project centre, one which will develop world-wide truck programmes, adapting the "world car" concept to find common components which could be used in trucks all round the world.

"This will be even more complex and technical than for passenger cars. You can run a truck plant to produce 25 to 30 vehicles an hour for nine months and not produce two identical trucks because customers want different things," Mr. Cunningham points out. "But commercial vehicles are very important to GM so we are trying to solve the problems."

GM is already hinting that the truck project centre might come up with some major advancements in economies of scale in areas such as engineering and tooling.

GM still has a long way to go before it catches up overseas with its main domestic rival, Ford. Mr. Estes says the first objective is to overtake Ford outside North America. "I can assure you that we are after our domestic competitor. We are not proud of our performance overseas. But the whole of the GM team is dedicated to getting that job done and getting it done fast."

The Chevrolet Chevette. Smaller, more economic cars have provided the spur to the development of the world car concept and to GM's concentration on overseas markets.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ACCOUNTING

Keeping portfolios under control

OFFERED AS service by City Computer Systems for such organisations as building societies, insurance groups and the like is a portfolio management system intended to provide users with much tighter control and far quicker analysis of situations than is possible with previous methods.

Based on a compact small mini, various important routines have been worked out by CCS analysts which can be drawn on by users as required to meet their particular needs.

The contract calculation operation, for instance, allows full contract notes to be drawn up, including accrued interest, contract stamp, commission, and VAT. Total sum invested may be specified and the amount of stock to be purchased calculated. True buying and selling yields can be calculated.

Yields may also be calculated from arbitrary prices and vice versa for specified tax rates and dealing dates.

Another facility is historic analysis which keeps track of security prices and yields over a period of time and permits comparison of securities on an historical basis—for example in terms of minimum and maximum price ratios and yield differences.

In switch analysis, records can be kept of switches from one security to another, together with criteria for their reversal. These switches may be evaluated at any time and those that satisfy the reversal criteria can be highlighted.

Transaction analysis, portfolio accounting and money analysis are three other facilities which CCS will describe *in extenso* at a seminar on September 12.

City Computer Systems, a subsidiary of Monotype Holdings, comes through the latter under the aegis of NEB. Barclays Bank is also a major shareholder. More from CCS at 1 Laurence Pountney Hill, London, EC4R 0BA. 01-626 0824.

● SAFETY

Avoiding eye damage

INDUSTRIAL operations that use or produce ultra-violet rays in the optically dangerous region can be monitored with the Rotheroe and Mitchell Model UV-1. Such situations include electric arc welding, sterilisation lamps, photo-electric chemical processes and circumstances requiring inspection of eye protection aids.

The eye-hazardous power of ultra-violet rays is computed from the spectroscopic ultra-violet flux in the region 250-350 nanometres and related to the degree of pre-determined hazard factor to the human eye. The lower the wavelength of the rays, the greater the hazard effect on the eyes. A digital display ratemeter counter indicates the strength of ultra-violet rays in the hazard area via an ultra-violet sensor and filter.

Accessories include an inspection sheet, operating instructions, and shoulder sling carrying case.

Rotheroe and Mitchell, Victoria Road, Ruislip, Middlesex, HA4 0LG. Tel: 01-422 9711.

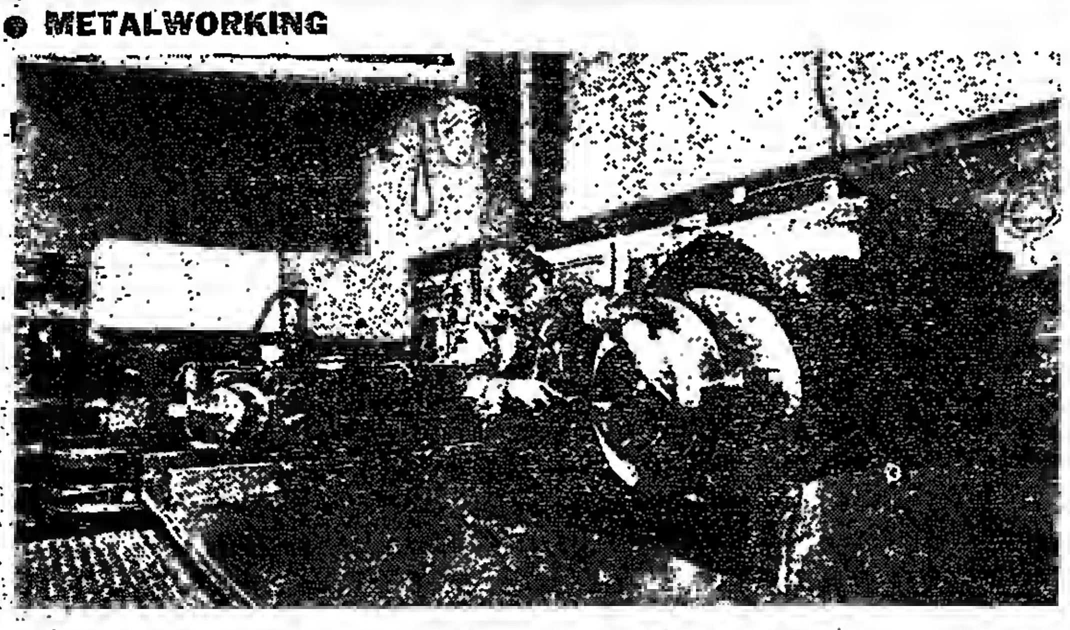
Hoist for danger areas

NEW RANGE of triple-gear spur pulley blocks, developed out of its Zenith range, has now been launched by John Barnsley and Sons, Colonial Works, Overend Road, Cradley Heath, Warley, West Midlands (0384-66686).

To be known as Zenith sparkproof, there are 13 blocks in the capacity range with safe-working loads from 250 kg to 2,000 kg designed for use in areas where the atmosphere is likely to be combustible, such as chemical processing plants, on and off-shore oil installations and gas plants.

Of particular advantage for offshore and chemical plant applications, external steel parts and the hand chain wheel can be sheradised prior to assembly, then primed and painted, which makes the blocks virtually impervious to salt-water and chemical corrosion.

● METALWORKING



Checking the tolerance of a forged steel flange at the Rainford, Merseyside, works of Welding Units (UK). Recently acquired by the Robert Smith Group of Birkenhead, the company is to continue to specialise in the production of many types of forged steel flange in sizes ranging from 12 to 1,470 mm nominal bore for the oil and petrochemical industries.

Determines accuracy

UNDER THE new EEC regulations, metric tape rules must be approved by the Department of Prices and Consumer Protection. For the rules to move freely between EEC countries—and to be used in the UK for trade use—they have to be verified by officers of the Weights and Measures Department.

These local officers will be able to use a new £10,000 British-made measuring machine which is accurate to 0.0001 mm and has been installed by Stanley Tools, which thinks it is the first hand tool manufacturer in Britain to implement an advanced electronic measuring machine to determine the accuracy of tape rules.

Further from the company at Woodside, Sheffield (0742 78678).

Expansion by Fairey

INVESTMENT OF £1m heralds the start of a five-year development and modernisation plan for Fairey Engineering's Stockport production facility.

First stage of the project will include the installation of a new fully equipped plant shop complex. When completed, says the company, this will be one of the most efficient in the country, designed with modern technology in mind.

Quality assurance and control facilities will be improved, too, by the building of a new laboratory and radiography facility, which will enable complex welded fabrications for the company's nuclear and military activity to be checked to the highest standards laid down in the specifications for these products.

Production equipment on order includes a numerically controlled lathe, while other NC equipment is planned. A facility is also set aside to cater for increasing production of stainless steel fabrications.

● INSTRUMENTS

Cable fault locator

LOW VOLTAGE cable fault locator equipment by Biccotest is the product of research by the company in conjunction with electricity board engineers for use on low voltage distribution networks.

Model T207 is a dual purpose instrument which is used initially as a prospective current indicator to provide a quick and convenient method of detecting the presence of low voltage cable faults. Afterwards it is used as a repetitive re-energising device to generate an acoustic signal at the point of fault so that it may be readily pinpointed using the Model T202 acoustic detector.

This quick and simple to use device eliminates the need for time-consuming fault burning and consumers do not have to be disconnected for the cable to be tested.

Remote control operation means that the operator is physically separated from the test equipment.

Biccotest (Balfour Beatty) on 7, Mayday Road, Thornton Heath, Surrey CR4 7X4. 01-684 6922.

Cleaning beer tanks

SINCE MANY breweries are pressurising bright beer and buffer tanks with carbon dioxide to retain flavour and improve shelf life by avoiding contact with oxygen, Soilax has developed a simple conversion package to modify its standard CIP (cleaning-in-place) system into a carbon dioxide pressure cleaning system.

During normal atmospheric cleaning using caustic-based detergents, which absorb carbon dioxide, a considerable amount of carbon dioxide is lost, even when a carbon dioxide recycling system is incorporated. By using acid-based cleaning programmes and by maintaining carbon dioxide pressure throughout the cleaning cycle, this loss is avoided and a considerable saving in carbon dioxide can be achieved.

Modified Soilax control system is designed so that when the selector switch is set to "tank cleaning under carbon dioxide pressure," the pressure regulator is automatically switched to "ON." The pressure valve will remain closed because it is set to open at a pressure higher than the gas pressure in the tank at that time. When cleaning solution is pumped into the tank, the line pressure will increase and the regulator valve will open accordingly.

When cleaning tanks under carbon dioxide pressure, it can prove difficult to remove all beer deposits with an acid solution only. This problem can be overcome by using periodic alkaline cleaning.

Soilax, 330, Yeovil Road, Trading Estate, Slough SL1 4JL. Slough 34211/8.

● DATA PROCESSING

Video display terminals

IFRA, THE International Research Association for Newspaper Technology, has published a comprehensive report of 253 pages on the ergonomic aspects of video display terminals and their workplaces.

Entitled "The VDT Manual," the report is divided into five sections which cover the basics of video display terminals, the ergonomics, workplace design, health and safety, and task organisation. It also contains four useful appendices which include an ergonomic checklist for VDTs and VDT workplaces, eye tests for operators, a comprehensive bibliography and a glossary of terms.

While the report is not specifically about the social problems of the computer, it is written against this background. IFRA's concern with the subject, as stated in the foreword, stems from the fact that "the newspaper industry is currently in the frontline of computerisation."

The manual costs DM 40 plus postage and is available from: D. J. Hart, Inca-Fiej Research Association, Washingtonplaz 1, D-6100, Darmstadt, FR Germany.

For further information contact Linda Tarr at Butler Cox and Partners, Morley House, 26-30, Holborn Viaduct, London, EC2A 4BP. 01-353 1138.

Aids stock control

IN AN AREA where interest rates and overheads are high, and profit margins low—the supermarket—equipment by UCSL Microsystems could be of great benefit.

The unit is a modified microprocessor-based terminal, similar to a pocket calculator, that can be used to ensure that no supermarket outlet is overstocked or understocked and can help eliminate the "backroom."

Book value of all retail stocks in Britain in May, 1979, was £5,457m, 18 per cent up on May, 1978. Savings of just a few percentage points would have a considerable effect on cash-flow and profitability.

The M50F terminal, which has been developed specifically for ordering directly from the shelf, will sharply cut order cycle times and virtually eliminate errors in the order processing system.

Recent rapid advances in circuit technology and reductions in costs have been incorporated in the new M50F to make it cost-effective to the extent that it is no more than two-thirds the price of its nearest competitor.

It will be available for bulk delivery in October. Unit prices are based on memory capacity and range from £570 for the 16,000-character capacity version to £775 for the 64,000-character model.

UCSL Microsystems, Chiltern House, 154, High Street, Berkhamstead, Herts. 04427 71741.

● VENTILATION

Heat loss is reduced

USED ON North Sea oil platforms where ventilation is essential for safety as well as comfort, equipment is now being applied in Britain with energy saving advantages.

Used in large area buildings where normally a roof height is considerable, energy savings of about 40 per cent can be achieved by reducing winter heat losses from roof transmission.

Known as the Dirivent system it is patented and is available through Flakt of Staines.

Ventilation air is induced in series and directed by small jets from special nozzles which operate at a high velocity. The directing and inducing jets impart movement to the air already supplied, this keeps the air in motion and increases the number of local air changes in an occupied zone. The mounting of the special nozzles in series about 7-10 metres apart is an essential feature of the system enabling even temperature conditions to be achieved throughout the building.

A temperature differential of 2 degrees C between the floor and roof of a building is possible to achieve with the Dirivent system while conventional heating and ventilating systems traditionally would have a temperature difference of 15 degrees C.

Conventional equipment such as radiant panels, suspended or free-standing heaters and similar cannot achieve the low temperature difference between the inside of the roof and the external air offered by the Swedish design, and conventional systems are costly in energy.

Dirivent gives control of air circulation in both winter and summer and it is using air which has an almost constant density, so that the momentum imparted by the nozzles is at a constant level.

Flakt, Staines House, 158, High Street, Staines, Middx., TW18 4AR.

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● POLLUTION

Will not let fumes escape

WITH THE growing trend toward storage of hydrochloric acid in lower-cost plastic and glass fibre tanks, as opposed to the traditional rubber-lined steel, new and previously unrealised dangers have been discovered.

The risk period occurs during filling where it is possible to over-pressurise the storage tank. A new hydrochloric fume scrubber developed by Rigidon (UK) of Hucclecote near Gloucester, overcomes this risk whilst also acting as a separator, scrubber, vent and overflow. It offers the added safety advantage of not requiring a pump or fan and therefore no power supply is needed in the storage area.

Lightweight and compact it is easily mounted on top of the tank. Mains pressure water is used as the scrubbing agent and is forced through nozzles to form a fine spray. The water action is such that it sucks the fumes into the scrubber, putting the gas back into solution as weak acid and thus separating it from the air, which can be vented.

When the tank is filled from the delivery vehicle, which uses a compressor to drive the HCL into the storage tank, any fumes are immediately treated. There is no risk of the scrubber blocking and allowing pressure to build up, or venting untreated fumes to the atmosphere. No mechanical parts means complete reliability and little or no maintenance, and top mounting on the tank ensures there are no pipes to kink or water traps.

Operator error during filling, by not reducing pressure of the feed towards end of delivery, no longer presents the risk of over-pressurisation.

The scrubber is manufactured in corrosion-resistant GRP and is inexpensive.

Rigidon (UK), Gloucester Trading Estate, Hucclecote, Gloucester, 0452 69181.

THE PROPERTY MARKET BY ANDREW TAYLOR

Top Leeds office rents set for £5 a sq ft norm

TOP OFFICE rent in Leeds, now touching £5 a square foot, look set to rise further, with a shortage of good new space likely to emerge over the next nine months or so.

After this point, a number of new developments are due for completion—with 550,000 sq ft of new offices pencilled in for development over the next three years.

This should bring supply ooce again more into lioe with demand—take up of new city ceotre office space in Leeds is running at around a maximum of 250,000 sq ft a year—but shortages may still arise in the prestige inner "City" area where new development opportunities are few.

The Leeds market has, over the past decade, shown an enviable stability, being able through luck or judgment to match supply with demand. It has appeared to avoid most of the national commercial property trends which have had such a major impact on London and other major provincial centres.

A recent graph of prime office rents in Leeds during the 1970s shows a general upward movement, punctuated by periodic plateaus, rather than reversals—a marked contrast to the boom-bust record of London and provincial cities like Birmingham and Manchester.

For most of the past nine months rents in Leeds hovered between £4.50 and £4.75 a sq ft, hitting a plateau. But recent lettings at the new Sun Alliance development bave touched the £5 mark and a similar rent is likely to be achieved at the refurbished Friends Provideot office block—both buildings in the heart of the prestige "City" area, bounded by The Headrow, Park Row and East Parade.

St. Quentin, which handles Frieods Provident jointly with Hillier-Parker, believes rents will continue to rise for the next year, or so, until a new batch of developments comes on the market.

St. Quentin estimates there is 320,000 sq ft of new and refurbished space available but of this only 150,000 sq ft is new office space, the residue from the last major development programme, which built around 550,000 sq ft of new offices.

The agents expect the shortfall in new space will lead to demand spilling over into secondary and the more troublesome refurbished properties, some of which bave remained unlet for aeveral years.

Sovereign House, although in the "City" area, is still not fully let four years after refurbishmeot. Other refurbished buildings also on Park Row have faced similar problems.

Equally, aome new space just outside the main financial, commercial and administrative area has found trouble in letting. The air-conditioned King Charles House in Land Lane has remained largely unlet for two years although negotiations are now thought to be under way for a major letting.

Agents Bernard Thorpe explain: "It is not that there is anything basically wrong with these buildings—just that Leeds is a very choosy market. Often some of these buildings are just too good for their location.

"Businesses coming to Leeds tend to be professional firms like accountants and insurance brokers, not labour intensive operations. They do not want large open-plan offices but properties capable of division into small office suites suitable for executives."

Agents Hepper Watson point to major problems of car parking and access which has delayed letting at some of Leeds' more troublesome developments.

Despite this the prime office area has grown westwards in the last few years as available space and opportunities for new development have declined within the central business core. There has also been some successful office development around the Merrion Centre, north-west of the city centre.

Another peculiarity of this market is the apparent dislike of Leeds office users for air-conditioning—a fact now apparently being recognised by developers.

"Of the 550,000 sq ft nf office space built in the last two to three years, nearly 70 per cent was air-conditioned. We know of only ooa developer in the next building phase—planning to include air conditioning," says Bernard Thorpe.

A more receot trend in the Leeds market has been the increasing number of well-located properties, built in the 1960s, that have come ooto the market during the past six months.

Weatherall Hollis and Gale, which handles among other central properties the newly completed Sun Alliance building, says: "A number of these 1960 offices coming np for reletting and reviews have been achieving rents within 10 per cent of those for top quality new properties—a further indication of the current strength of the market."

French plan to abolish leasing restrictions

IT IS not just the British Government that has been attempting to sweep away restrictive property legislation—the French Government, too, is looking at measures to help property investors and developers.

It has just accepted draft proposals to abolish rent restrictions on commercial lease renewals. These were introduced several years ago in a bid to counter inflation.

Under this legislation, commercial landlords are restricted to the amount of rent increase they can charge when a lease—a standard French lease normally runs nine years—comes up for renewal. The maximum increase is determined annually by the Government.

Currently, rents of renewed leases may only be 2.36 times the rent charged in the first year of the original lease.

Welcomed

Roux-Savill, the jointly owned Anglo-French agent, has welcomed the Government's acceptance of the draft proposal which it says has caused many anomalies and cannot now be justified in a relatively stable property market.

"Over the past few years yields for commercial property investment have been higher in France than in other comparable European countries. This reflects not only rental restrictions on lease renewals but also lack of security—given that French tenants have a statutory right to break lease agreements every three years," says Roux-Savill.

It says that current prime office yields are about 7 per cent in Paris with prime industrials at approximately 8 per cent.

The recent relaxation of British exchange controls has brought renewed investment interest from UK investors.

Fleming takes NatWest site

● Fleming Property Unit Trust has acquired the freehold of the former National Westminster Bank for about £450,000. Advisers to the trust were Conrad Ritblat and Strutt and Parker. The ground floor of the trust is to be converted into shops with a retail area in excess of 2,000 sq ft.

● The British Optical Association has bought a long lease on 4,226 sq ft of offices at 10 Knightsbridge Place. The asking price was £450,000.

Brake on the farmland price boom

SALES OF farmland have doubled io the past 12 mooths puttiog a brake on the recent boom in land prices, judging by the recent spate of advertisements in the agricultural press.

But agents Strutt and Parker do not see farm prices peaking yet. The firm says: "The rate of increase has certainly slowed and prices for top quality land are now rising at an anoual rate of about 10 per cent—compared with up to 25 per ceot six months ago.

The agents, backed by recently revised Ministry of Agriculture figures, now aoticipate a much more modest rate of price rises over the next 12 months rather than the peaking and levelling-off of prices suggested elsewhere.

Pressure has been put on prices by the substantially iocreased number of farms on the market. "It is the highest level of activity seen for about three years," says Strutt and Parker.

High interest ratea have persuaded many farmers to make sale and leaseback deals to raise cash for capital spending. Others have taken advantage of the recent surge in land prices.

Bnt Strutt and Parker says demand has remained strong despite the present low yields on farm investment.

Cecil Baker, chairman of Pension Fund Property Unit Trust, said recently that the fund was earning a return of no more than 2.8 per cent on its agricultural investments — compared with 6.1 per cent on offices and 4.9 per cent on shops.

"The lower yields may mean that some of the longer term institutional investors in agricultural land are easing back—but there are a number of funds either wishing to get io the market for the first time or extend their holdings," says Strutt and Parker.

It also points to the gap still to be closed between British farmland prices and those in other EEC countries. "A Grade II British farm, for example, would currently fetch around £2,000 an acre compared with £3,000 an acre for a French farm."

Air conditioning costs

NEW TAKERS of office space in London's Mayfair and St. James areas may be more selective about the need for air-conditioning since the recent upsurge in energy costs.

The latest quarterly survey of office property in these areas by agents Drivers Jonas shows that rent differentials between air-conditioned and non air-conditioned space bas narrowed considerably in the past three months.

Rents for air-conditioned offices rose by only 2.76 per cent to £13.80 during the three months while rents for all types of offices increased by 13.36 per cent to £12.56.

Average asking rents during the last quarter were about 30 per cent higher than at the same stage last year.

However Drivers Jonas say that the 140,000 square feet under offer during the period was 20 per cent less than in the previous three months. There may be an increase in available space in the coming quarter, followed possibly by a period of limited rental growth if this trend continues.

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Built in 1833, the accommodation comprises eleven rooms on the ground floor leading off a large main entrance hall, thirteen rooms on the 2nd floor, and further attic accommodation on the 3rd floor.

The building, which is in need of extensive renovation, could be used for offices or institutional purposes, subject to planning permission.

Enquiries to: The Director of the Valuation and Estates Department (VA/SUT/PLG), Greater London Council, Watermead House, 11 Sutton Court Road, Sutton, Surrey, telephone 01-643 5353 ext. 52.

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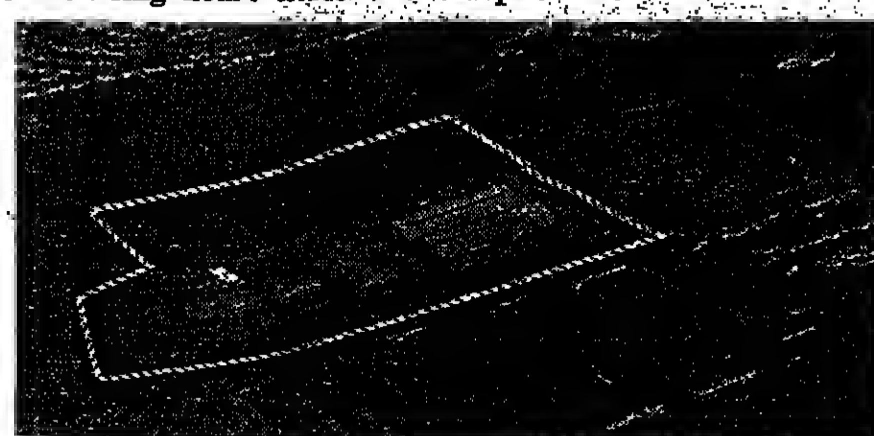

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Town Centre Development Aylesbury
Aylesbury Vale District Council is intending to promote the development of a prime shopping site on 6,213 square metres of land situated in Aylesbury Town Centre, between High Street and Market Square, and with a shopping frontage to High Street. The site adjoins a multi-storey car park with accommodation for 477 cars.
The Council has obtained compulsory purchase orders for the assembly of the land concerned. Planning permission has been granted for a shopping scheme comprising one major and 19 other shop units having a total gross floor area of 9,964 square metres, although the Council is not committed to this scheme.
Selected companies will be invited to submit schemes and offers based on a development brief to be provided by the Council. Expressions of interest are invited by 14th September, 1979, from developers wishing to be considered for inclusion on the selection list.
Expressions of interest should be made on a form obtainable by writing to The Chief Executive, Aylesbury Vale District Council, Friars Square, Aylesbury, Bucks., or by telephoning Mr. M. Bartlett, Aylesbury (0296) 5900.

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ENERGY REVIEW: HARNESSING WASTE POWER

Mass heating versus freedom of choice

BY JOHN LLOYD

A STUDY of a new method of conserving energy, set up as a result of the last oil crisis in 1973, has recently reported—in time for the most recent one. That fact alone should ensure that it will be taken seriously by Government. Its findings may become a feature of the lives of many of us before the end of the century.

The method is called combined heat and power (CHP): in brief, it is a way of harnessing the "waste" heat produced in bulk electricity generation for the provision of space heat and hot water needs, by means of a pipe network from the power station to adjacent districts.

It is one form—arguably the most economic—of district heating, where a number of dwellings share a common source of hot water for space heating and other purposes.

A high level group to study its feasibility was set up at the end of 1974 under the chairmanship of Dr. Walter Marshall, deputy chairman of the UK Atomic Energy Authority: it reported last month.

Its main recommendation was a bold one. It was that the Government should take the initiative in starting a "lead city" scheme—that is, test a project in a high-density conurbation which would serve as a prototype for more extensive development—and that the scheme, or schemes, should be managed by local organisations. To manage the scheme or schemes, and to develop the system more widely, a National Heat Board should be set up (in effect, a new nationalised industry) charged with the following responsibilities:

- to produce an overall strategy for CHP and identifying lead city schemes;
- to set up local organisations to manage the schemes;
- to carry out detailed studies of cities and towns to determine their suitability for CHP;
- to set aims and objectives for the district heating industry;
- to establish a financial framework for the implementation of CHP schemes;
- to carry out the work of setting standards, legislation and R and D.

Further, the group believes that in order to establish a satisfactory scheme, a good deal of money will have to be spent. Figures now produced must necessarily be tentative, but these can be taken as reasonable indications: the establishment of the National Heat Board—which may perhaps be known in the years to come as the NHB, as familiar as the NHS—and the preparation of city studies, might cost £10m. The big money would be spent on engineering the lead city scheme: that might cost upwards of £500m.

This is a large sum, though not, in terms of the energy industry, enormous (it is less than this year's capital expenditure by the National Coal Board, for example). The twist to the tail is that it is certain that even when the district heating network is in place, and a heating system possibly offered to householders, a subsidy will have to be paid on the heat to bring it perhaps as much as 20 per cent below the price of the cheapest available fuel (gas) in order for it to be sufficiently attractive to be taken up.

Lesser evil

A recommendation to subsidise is hardly likely to attract Ministers, especially of a Government which has declared open season on at least some existing forms of state support. Yet, as the authors of the report make clear, it is the lesser of two evils, the worse being compulsion. It is here, indeed, that we reach what might be termed the philosophical core of the problem raised by CHP schemes (and one which is likely to recur in different forms in energy industries generally as resources become scarcer). In the case of CHP, the core question is how to maintain some sort of freedom of choice when the apparent logic of the system demands that there be none.

A district heating network using CHP only makes economic sense when there is a very high take-up by householders within an area of high density housing. As the accompanying diagram shows, the cost comes down by £30-£40 per dwelling per year as between a housing density of 10 dwellings per acre and 50 dwellings per acre. The "natural" conclusion for planners to draw is therefore that all those lucky residents in a lead city should get CHP heating on the grounds that it is good for them and good for the country. Indeed, in some of those countries where district heating systems have been installed, it is virtually compulsory.

With some regret, the authors of the report opt for (subsidised) freedom of choice: "we have thought it appropriate to assume that in the establishment of CHP/district heating, freedom of choice must be retained by the consumer, though naturally that makes the implementation of CHP/district heating schemes more difficult and the financial assistance required to launch them larger than would otherwise be the case."

The Government, then, is being asked (a) to establish a brand new nationalised industry and (b) to subsidise consumer prices of a new energy source, thus distorting existing price relationships. Hardly, it might be thought, the most popular pitch to make to a Conservative Energy Department. Does it not risk being turned down flat, with no more than a polite nod for four-and-a-half years of labour?

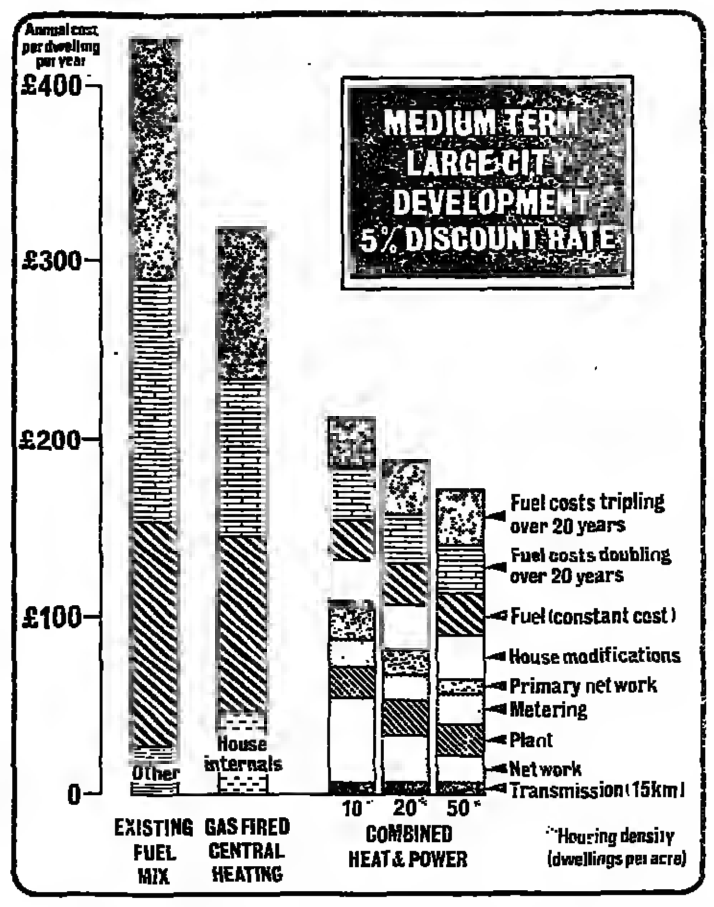
There are as yet no indications of how Ministers will react to the proposals, though they are being briefed by the various experts who sat on the CHP group which wrote the report.

The kinds of arguments they are hearing are these. First, as the report makes clear in its introduction, "there is no doubt that CHP can save energy, whether applied to district heating or to industry: the key question is whether it can do it economically." This point is made for the group by the experience of industry, where CHP schemes are commonplace, and where some 70 per cent of the electricity generated by industry itself is associated with heat recovery—that is, the generator is linked to a central heating and hot water system. In a study conducted by the group, it was estimated that such CHP techniques at plant level saved two to three million tonnes of coal equivalent a year.

Rejected

As may be expected, CHP does not represent a pure gain in energy terms. At present, the two-thirds of the energy content of any power station fuel which cannot be converted into electricity is rejected as lukewarm water: in order to extract the rejected heat at a sufficiently high temperature to serve a district, there will inevitably be some reduction of the electrical output of the plant. However, the report assures us that the energy utilisation of a power station used to provide CHP would be greater than that produced in an electricity only plant.

Thus, the net plant economics are in favour of CHP: but, as the report also informs us, "It is Government policy that energy conservation is to be pursued only where it leads to an overall savings in resources." Does this latest form of it do so?



There is no clear answer: or rather, "it depends." The accompanying diagram is important here. The first conditional is: it depends on how you see fuel costs rising. The comparisons in the diagram are between the existing fuel mix, a gas-fired central heating system, and CHP schemes for houses of 10, 20 and 50 dwellings per acre. It shows that, if fuel costs stay constant, CHP costs are roughly the same as existing fuel mix costs at 10 dwellings/acre, and better at 20 and 50: they are slightly higher than gas at 10 dwellings/acre, but better again at 20 and 50. But if a doubling of real fuel costs are assumed—and this is the central Government guesstimate—then the CHP economies are very large: at a pessimistic tripling, they are far too good to miss.

The other assumption which is crucial here is the discount rate, or the rate at which the Treasury expects new projects to pay for themselves. At 5 per cent, we get the results shown here. At 10 per cent, and assuming a real doubling of fuel costs, CHP competitivity with existing fuel mix and gas is only strong at 50 dwellings/acre (marginally at 20); assuming a tripling of costs, then it is still competitive with both. At 15 per cent, however, it is hardly competitive at all, except over the existing fuel mix at very high densities. As the report says, "the choice of an appropriate (discount rate) figure is a key issue."

From this we conclude that the forecasts tell us that CHP looks best on a low discount rate in large cities where the cost of fuel will double by AD 2000. Will the Government feel like proceeding on these assumptions?

It may take a cue from other European countries, many of which are further down the road than is the UK. Some 25 per cent of Danish heating is supplied by various district heating schemes, one third of that through CHP: in Sweden, the total is 20 per cent, of which nearly two thirds is CHP. In Germany, the total is 8 per cent, of which more than two thirds is CHP: France has a large scheme in Paris, and a Bill to promote CHP will be presented to the Assembly later this year. In the UK, by contrast, there is a negligible amount (there are tiny schemes in Nottingham and Battersea).

Enthusiasts for the system claim enormous advantages for it, not merely in terms of energy and cost conservation, but in the boost which a large programme of public works aimed at establishing a number of big city schemes would give to the construction industry, and the benign effect such a programme might have on unemployment figures. It is, indeed, counteracting a recession by having people dig holes in the road: but it would appear, on the evidence here, that the holes might be filled with something of value.

Study criticises flaws in political referendums

BY ROBIN REEVES, WELSH CORRESPONDENT

REFERENDUMS ARE almost certainly not the best way to settle fundamental constitutional issues according to a study of the devolution campaign in Wales this year.

The survey, by the University of Strathclyde, argues that the Welsh referendum highlighted serious flaws in the increasing use of the referendum in political decisions.

Above all, it belied the widespread conviction among politicians and the general public that a referendum alone could produce a "once and for all" decision.

The four-to-one vote on March 1 against a Welsh assembly did not finally resolve the question of Welsh devolution any more than the Northern Island border referendum in 1973 settled the differences in that province or the 1975 EEC referendum laid to rest the debate over Britain's Common Market membership, the study suggests.

Defeat

It observes that, immediately after the referendum defeat, the Welsh Liberal Party and Plaid Cymru interpreted the result as a rejection of specific Government proposals and reaffirm their support for devolved power based on national independence or, in the Liberals' case, on a federal system.

The Labour Party in Wales also reasserted its belief in devolution immediately after the result.

More significant, the study suggests, were the result of opinion polls during the campaign in January and February. Those showed that although Wales was fairly evenly divided between those who favoured the status quo and those favouring devolution, the precise form of devolution offered by the Wales Act was the least liked of all the options.

The final opinion poll, taken when the anti-devolution tide was running most strongly, disclosed greater public support for legislative devolution and complete self-government than for the more limited Government proposals.

The authors of the study, one of whom was secretary of the "umbrella" Wales for the Assembly campaign, doubt the value of the referendum on further grounds.

Besides failing to resolve the issue of Welsh devolution, they argue, the use of the referendum also:

- Excited a conservative reaction inimical to institutional reform and stimulated the widespread hostility of "organised interests";
- popularised issues in a manner that, far from clarifying, tended to obscure the basic principles of the debate and confuse the electorate; and
- produced not a single-issue campaign, but one linked with the survival of the Labour Government.

The conservative bias of the referendum, the study says, was illustrated by the character of the campaign. The "yes" groups sought, with decreasing success, to promote the hope that the assembly would revive Welsh self-confidence, regenerate the economy and safeguard Welsh culture.

By contrast, the "no" campaigners were concerned to emphasise the dangers in the proposed constitutional changes and progressively became associated with the popular apprehensions that devolution would lead to domination by a Welsh-speaking elite and eventually to the break-up of the UK.

"Throughout the campaign there was a perceptible and pervasive feeling that, no matter how difficult life was in the UK frying pan, it would be much worse in a Welsh assembly fire."

The authors concede that the fear of change was not simply emotional. The public's reaction to the 1974 local government reform, far from providing the momentum for devolution as had been expected (the assembly was mandated in the Act to recommend a new structure), expressed itself in a deep-seated desire for a moratorium on further reorganisation.

In arguing that the electorate was confused, the authors again point to opinion-poll evidence suggesting that many people had great difficulty in associating parties with particular positions on devolution.

The limited choice presented by the referendum question forced the Liberals, the Communists and Plaid Cymru to sacrifice key aspects of their fundamentally differing policies to play a positive role in the campaign — in harness with the Labour Party, their natural political adversary. Similar tensions existed in the "no" coalition.

Dynamic

The authors conclude that it is simply presumptuous to regard any decision produced by a referendum as either final or definitive. "Public opinion is rarely constant, but, rather tends to be dynamic, both over time and over issues."

They see the only satisfactory way of reconciling the use of the referendum with constantly changing public opinion is by holding referendums on a regular, periodic basis.

That is not as radical as it appears at first.

The Ulster border referendum was a tacit recognition that periodic consultations with the Northern Irish people might be necessary. The Welsh themselves have grown accustomed to regular referendums, held on a seven-year cycle, to determine the issue of Sunday opening of public houses on a county-by-county basis—a clear, constitutional recognition that attitudes and values do change over time.

Internationally, the study notes, it is impossible to rule out the possibility of a political demand for a second EEC referendum to test public opinion on Britain's continued membership of the European Community.

The Welsh Veto: The Politics of the Devolution Campaign in Wales, by J. Barry Jones and R. A. Wilford (Studies in Public Policy, University of Strathclyde, Glasgow, £2.25).

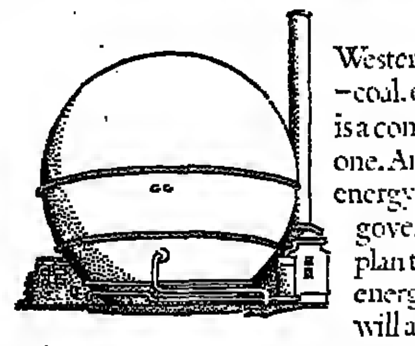
Help urged for homeless

CHAR, the Campaign for the Homeless and Rootless, has appealed to local housing authorities to prevent the number of homeless single people from growing to unmanageable proportions.

It says in its annual report, that single people are "hopelessly losing out in the current fiercely competitive housing market." It wants a fundamental shift in attitude towards the single person by the local authorities.

CHAR suggests that by 1986, about 5m single-person households will acount for a quarter of all households in England and Wales.

Yet the housing needs of millions of single people living in hostels, lodging houses or institutions or involuntarily sharing other people's homes are hidden, it believes, and are thus ignored in planning future housing provision.

Financial Times European Energy Report.
A chance to get the answers to Europe's energy problems.

Western Europe's energy 'mix' – coal, oil, hydro, nuclear, gas – is a complex and changing one. An era of high-cost energy is looming. How the governments of Europe plan to meet the demand for energy, and at what price, will affect every business and individual in Europe – and many throughout the world.
Planning and decisions therefore call for constant access to a wide range of up-to-date, accurate information on energy programmes and their implications.
This is what the European Energy Report provides.
Produced by Financial Times Business Newsletters, European Energy Report is an exclusive and informed fortnightly review of all sectors of the European energy mix.
It sets the relevant information in perspective and presents it in a continuous, well referenced record that is essential reading for anyone concerned with the energy or related industries.
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LOMBARD

Searching for an alternative

BY PETER RIDDELL

THE CURRENT widespread pessimism about the economic outlook over the next 18 months has produced an almost oriental fatalism about what the Government or anyone else can do about it. The common view—to use the almost inescapable medical metaphor—is that we have just got to swallow the harsh medicine or else our sickness could become incurable.

Yet there is a distinction between the narrow scope for manoeuvre on strategy and the possibly greater freedom on detailed policies. Sir Geoffrey Howe has argued that the UK has no real choice on strategy and that in anything but the shortest run the economic and social strains would be much greater with other policies.

Indeed both Mr. Callaghan and Mr. Healey sound thoroughly implausible and opportunist when criticising the "monetarist" policies of the present Government. After all, Mr. Healey did not hesitate to raise MLR whenever the monetary guidelines were threatened and he let the pound float freely, and upwards, both in 1977 and in early April this year.

Spending

Moreover Mr. Joel Barnett has admitted since the election that a Labour administration would have had to review existing public spending plans. But there would have been important differences of implementation. Labour would also have avoided Sir Geoffrey's Budget mistake, the only major Tory economic error to date, of raising VAT to 15 per cent in order to finance a 3p cut in the basic rate of income tax. The resulting increase in the inflation rate not only affects expectations but also means that there has been a tightening in the effective monetary squeeze.

Other strategies do not really stand up. Any relaxation of fiscal or monetary policy would make it more difficult to reduce inflation and would probably have no more than a short-lived impact, if that, on output and employment. Similarly, any attempt to hold down the pound would jeopardise other policies since intervention on a large scale would probably produce a big, and destabilising, boost to the money supply.

While there may be no credible alternative to the basic strategy, short of a siege economy and full-scale import controls, the UK is not inevitably heading for a repeat of 1974-75. As I discussed in this column last Friday, the gloom should not be overdone—not only should consumers be much better protected than in the mid-1970s as a result of North Sea oil but industry may also take anticipatory action ahead of the squeeze. The overall financial deficit of industry should be less in real terms than in 1974, but parts of manufacturing industry could be badly hit.

Strategy

This prospect has already led to talk about bankruptcies, applications for Government help and a U-turn. But the Government could take action without undermining its basic strategy. In particular, the Chancellor could consider lightening the tax burden on industry.

This suggestion might appear paradoxical in view of the decline in company taxes in real terms in the last decade, and successful companies should perhaps be paying more in tax on their profits. But this point does not apply to the national insurance surcharge which now yields £3bn. Earlier this year CBI economists estimated that an extra 1½ points on the present 3½ per cent rate would reduce employment by 60,000 after two years, would cut profits by between £200m and £300m after a year and boost retail prices by ½ per cent after a year; unlike VAT the surcharge also hits exporters.

Pressures

A cut in the surcharge next year would ease the liquidity pressures of companies at a particularly difficult time and would reduce the cost of labour when unemployment might be rising sharply. Sir Geoffrey may anyway have little leeway within his public sector borrowing limits in 1980-81 but a lower surcharge should have priority over a further reduction in the basic rate.

Saving the City from itself

BY COLIN AMERY

AROUND BRITAIN

CITY OF LONDON

IT MUST be a terrifying thought to step into the shoes of Sir Christopher Wren, but that is roughly what Mr. Stuart Murphy is planning to do. He is the new chief architect and planning officer for the Corporation of the City of London and takes over from Mr. Edwin Chandler who has shaped the City for the last 18 years.

He has a powerful job and a varied one. Apart from advising the Corporation on all new developments and drawing up plans for the future he looks after the buildings and estates of the City of London. It is up to him to see that Queen Elizabeth I's hunting lodge in Epping Forest is kept in good condition and to advise on whether or not the City can bear the weight of more buildings as high as the almost completed National Westminster Bank tower.

To any casual observer walking the streets of the City it is pretty clear that the architectural standards have slipped quite a lot since Wren's day. The value of space now reaches up to £37 for a square foot of air conditioned office and so quality of design is not the first priority. Since the end of the war the City has lost a great deal of its character as the office development boom has consumed acres of small scale buildings.

The City architect only has to look out of his window in Guildhall to see all his problems and difficulties writ large. How does he visualise the future shape of the City?

Mr. Murphy sees himself as an evolutionary rather than a revolutionary figure. His job is to be the catalyst between the forces at work in the City. He feels that the time of the grandiose plan is over. His policy is to look closely at each planning application on its merits.

But the City does have a plan: the Greater London Development Plan which requires that every local authority produces a local plan that will define the parameters of development. The City has to produce its overall plan by 1982.

In order to discover the kind of City people want to see in the 1980s, the planners at the Guildhall have during the last three years been producing a series of background studies and summaries and attempting to gauge the attitude of the public.

There have so far been reports published on population and housing, social and community services, shopping, tourism, economic activity, recreation and leisure, transport, walkways and pedestrians, catering facilities and archaeology. There have also been district plans of which the most recent is the City of London plan for the area around Smithfield.

Each of these studies has been offered to the public in reasonably attractive summary form in an attempt to evoke a response, but some of the public meetings that have been held in the City have been attended by only a handful of people.

Why this apathy and lack of interest in the look and shape of the City? While the general public may feel powerless to influence the growth of commerce and office development, the most likely reason for the lack of interest in the future of the City is that practically no one actually lives there. The daytime population of the City is 375,000 but barely 6,000 actually live within the square mile.

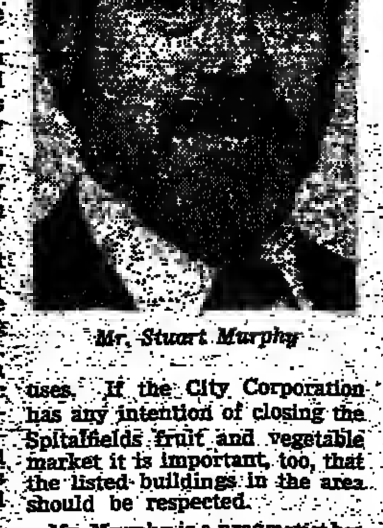
Does the City Architect want to see more people living in the City? The answer, alas, is probably no. It is very unlikely that the City Corporation will itself build any more housing. The Barbican has produced over 2,000 more flats for the City but it has proved an expensive operation and now the tenants are restive because the short leases the City offers do no provide enough security of tenure. It is likely that, in the new political climate, the Corporation will sell the flats in the Barbican on very much longer leases.

At present the City is completing what the architect described as its last housing scheme. This is a refurbishment of 200 units of older housing in Kennington.

Within the City itself, there will eventually be the Barbican Arts and Conference Centre, providing a home for the London Symphony and other orchestras as well as the Royal Shakespeare Company. At a cost of almost £80m the Arts Centre will be a great burden on the rates as well as a jewel in the City's crown, but it will be the one real sign of life after the office work is done.

The Barbican is the one area of the City where the results of the wholesale plannings of the 1950s is there for all to see. Today, with office availability in the City at its lowest level since the war, Mr. Murphy is going to find it difficult to resist the tide of office development. He is very concerned to protect the 500 or so listed buildings remaining in the City and to see that new buildings will respect the views—where they remain—of St. Paul's and the City's 52 ecclesiastical buildings.

Mr. Murphy's student town planning thesis was called "River in Distress" and he is still concerned at the way London ignores the Thames. He hopes that he can somehow finance a new pier in the City close to the steps leading from the river to St. Paul's.



Mr. Stuart Murphy

There are several sites that are likely to show the effect of having a new man at the helm in the Guildhall, among them Little Britain, north of St. Paul's, where he hopes to retain several listed buildings. Traffic route changes might bring another chance to close off Ludgate Hill to through traffic and keep the precincts of St. Paul's for pedestrians and ceremonial traffic.

The area south-west of the cathedral is likely to come under Mr. Murphy's personal scrutiny. It is very much hoped that this sensitive area will be largely retained since its small scale is an essential foil to the Cathedral as well as the surrounding commercial offices.

As Billingsgate Market moves soon into the East India Docks area of Dockland it is vital that the quality of new development on the old riverside site is of the highest standard. It is crucial that the riverside in the City should be available and open to leisure as well as commercial uses. If the City Corporation has any intention of closing the Spitalfields fruit and vegetable market it is important, too, that the listed buildings in the area should be respected.

Mr. Murphy is a pragmatist but he has one very strong belief, that the quality of commercial architecture in the City must rise above the present mediocre level. The new building planned for Lloyds by Richard Rogers, architect of the Centre Pompidou in Paris, is an encouraging sign. But what Mr. Murphy must also do is to try to make the City something more than one giant property investment. Too much has been lost already and far too much poor architecture has taken its place. Geraniums around St. Paul's are not enough: Mr. Murphy has got to be tough.

Two prospects for Piggott

RACING

BY DOMINIC WIGAN

LESTER PIGGOTT, so often associated with Cumani and Kelleway-trained horses and with a very wide choice open to him, rides another Newmarket challenger, Harry Wragg's Jeroboam, for the Group Three event at Newbury, the Hungerford Stakes.

I shall be surprised if this Sharpen Up chestnut out of the Princely Gift mare, La Mirabelle, does not make a bold bid. The three-quarters of a length runner-up to Lyric Dance in the Tote Free Handicap at Newmarket in April, Jeroboam then produced two disappointing performances before taking third place behind Blue Refrain in Royal Ascot's 17-runner Jersey Stakes.

Rested after that respectable though not eye-catching display on the Royal course, Jeroboam was then turned out in magnificent shape for Newcastle's Beeswing Stakes over today's seven-furlong trip on July 30.

Justifying heavy support which saw him displacing Tumbledownwind as market leader the Wragg-trained three-year-old beat the older animal who he was meeting on 1 lb worse than weight for age terms by three quarters of a length with third-placed Touch Boy never a factor.

Another likely-looking prospect for Piggott, who rides here rather than at Deauville where he was expected to partner a Norwegian animal in the Prix de Meautry, is Claerwen. This Lady Murless-trained filly created all sorts of problems for herself at Goodwood last time out where she never seemed at ease on the Sussex course.

Now back on the track on which she opened her account in impressive style, I am sure she will take a tremendous amount of beating in the St. Hugh's Stakes which carries £6,000 added prize money. Mother Earth and Biding may follow her home.

Troy heads the Tote's Benson and Hedges Gold Cup betting at 1—2. Other prices from the same firm read 8—1 Lyphard's Wish, 9—1 Gay Mecene, 16—1 Mangulu and Hardgreen, 25—1 Crimson Beau and Swiss Maid, 33—1 Noelino and Gain.

Sea Pigeon, so often a record-breaker in the past, may well have gained another unprecedented statistic. He has been allotted 18 st 3 lb in the richest-ever apprentice event, Playboy Bookmakers Apprentice Trophy, due to be run on August 24. He is followed in the weights by Leonard's Rock on the 10 st 12 lb mark.

NEWBURY

2.00—Sweet Tea
2.30—Crystal Fountain**
3.00—Jeroboam*
3.30—Claerwen***
4.00—The Goldstone
4.30—Prince Heritier
5.00—Pearling

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.50 Magic Roundabout. 9.55 Jackanory. 10.10 Don and Pete. 10.15 Desert Adventure. 10.40 Take Hart. 11.25 Cricket: Third Test—England v India. 1.30 pm How Do You Do? 1.45 News. 2.05 Cricket: Third Test. 4.18 Regional News for England (except London). 4.20 Play School. 4.45 Asterix the Gaul. 5.10 Hang on Doggy. 5.35 The Wombles.
5.40 News (London and South East only).
5.55 Nationwide.
6.20 Sportswide.
6.50 Star Trek.
7.40 It Ain't Half Hot Mum.
8.10 Des O'Connor Tonight.
9.00 News.
9.25 The Hollywood Greats (Charlie Chaplin).
10.15 Spike Milligan in Q7 (London and South East only).
10.45 Regional National News.
10.50 Late Film: "Limelight," starring Charles Chaplin.

All Regions as BBC-1 except at the following times:—

Scotland—5.55-6.20 pm Reporting Scotland. 10.15 Grimble on Genius. 10.45-10.50 Regional National News.

Northern Ireland—4.18-4.20 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 9.25 Lifetimes. 10.45-10.50 Regional and National News.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 East (Norwich) Set by Swann; Midlands (Birmingham) Spare Time; North (Leeds) In Conversation; North East (Newcastle) Wilf Mannion; North West (Manchester) Champion Brass; South (Southampton) Report South; South West (Plymouth) The Individualists; West (Bristol) The Producers.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.30 pm Cricket: Third Test.
6.30 Open University.
6.55 Gardeners' World.
7.25 Mid-Evening News.
7.35 Golf My Way.
8.05 Seven to One.
8.35 The Selfish Giant.
9.00 All Creatures Great and Small.
9.50 Kilvert's Diary.
10.05 Top Crown.
10.30 Poverty and Oysters.
11.20 Late News.
11.35 Cricket: Test highlights.
12.05 am Closedown reading.

LONDON

9.30 am The Living Body. 9.45 It's More Life. 10.05 Focus on Soccer. 10.30 The Pebbles. 10.35 The Nature of Things. 11.25 Barney Google and Snuffy Smith cartoon. 11.35 The White Stone. 12.00 A Handful of Songs. 12.10 pm Rainbow. 12.30 Emmerdale Farm. 1.00 News, plus FT index. 1.20 Thames News. 1.30 Divorce and After. †2.00 Friday Matinee: "Heavens Above." 4.15 The Feathered Serpent. 4.45 Kids-world. 5.15 The Brady Bunch. 5.45 News.
6.00 Thames News.
6.25 Thames Sport.
6.30 Get Some In!
7.00 The Krypton Factor.
7.30 Winner Takes All.
8.00 Hawaii Five-O.
9.00 Heartland.
10.00 News.
10.30 The Do-Gooders.
†11.15 The Friday Film: "Kill Me Tomorrow."
12.45 am Close: Personal choice with Cyril Shaps.

All IBA Regions as London except at the following times:—

ANGLIA

10.35 am Alright Now. 11.00 Southern Report. 11.25 The Paper Lads. 11.50 The Woozies. [illegible] Anglia News. 2.00 Friday [illegible] The Sun Never Sets. [illegible] 5.15 Bailey's Bird. [illegible] Anglia. 8.00 Chips. [illegible] Discovery. †11.00 Film [illegible] Lady Hamilton." 1.10 [illegible] Matter.

ATV

10.30 am Captain Nemo and the Underwater City. 10.35 Sesame Street. 11.35 Bailey's Bird. 1.20 pm ATV News-desk. 2.00 Movie Matinee: "The World of Suzie Wong." 5.15 Alright Now. 6.00 ATV Today. 10.30 Mary Hartman, Mary Hartman. 11.00 Movie Premiere: "The Power And The Passion."

BORDER

10.35 am Alright Now. 11.00 Southern Report. 11.25 The Paper Lads. 11.50 The Woozies. 1.20 pm Border News. 2.00 Matinee: "San Francisco International Airport." 3.50 Friends of Man. 6.15 Gamock Way. 6.00 Look Around Friday. 6.30 Get Some In. 8.00 The Incredible Hulk. 10.30 Look Who's Talking. 11.00 Late Film: "The Man With The Power." 12.40 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News and What's On Where. 2.00 The Friday Matinee: "The White Tower." 3.50 The Electric Theatre Show. 5.15 Oh Boy! 6.00 Channel News. [illegible] Friends of Man. 6.35 Invasion [illegible] 10.28 Channel Late News. 10.35 Chimley Corner. 10.55 Late Film: "Conflict Of Wings." 12.25 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 10.35 Alright Now. 11.00 Southern Report. 11.25 The Paper Lads. 11.50 The Woozies. 1.20 pm Grampian News Headlines. 2.00 Friday Matinee: "The Great Ice Rip-Off." 3.20 Something [illegible] 5.15 [illegible] 6.00 Grampian Today. 8.00 The Beachcombers. [illegible] The Entertainers. [illegible] Reflections. [illegible] About Turn. 11.05 The Friday Night Horror: "[illegible]" Grampian Late Night Headlines.

GRANADA

10.30 am Sesame Street. 11.25 [illegible] Phantom. 11.45 Song Book. 1.20 pm Dick Tracy. 2.00 Friday Matinee: "Brothers in [illegible]" 3.45 Cartoon. 3.50 Out of Town. 5.15 Oh Boy! 6.00 Granada News. 6.05 To Catch a Conger. 6.30 Kick Off. 8.00 Lucan. 10.30 Clapperboard North West. 11.00 The Friday Film: "Sands Of The Kalahari."

HTV

10.30 am Alright Now! 11.00 Southern Report. 11.25 The Paper Lads. 11.50 The Woozies. 1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.00 "The Spanish Main." 5.50 Look Who's Talking. 5.15 Oh Boy! 6.00 Report West. 6.15 Report Wales. 6.30 Get Some In! 8.00 Charlie's Angels. 10.30 Father Dear Father. 11.05 The Late Film.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.15-4.45 O'r Tir I'r Mor. 6.00-6.15 Y Dydd. 10.35-11.05 Camera.

HTV West—As HTV General Service except: 1.25-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

10.30 am Alright Now. 11.05 Southern Report. 11.25 The Paper Lads. 11.50 The Woozies. 1.25 pm [illegible] 2.00 Friday Matinee: "Lost [illegible]" 3.50 Out of Town. 5.15 [illegible] 6.00 Scotland Today—[illegible] 6.30 Win's Way. 8.00 [illegible] 10.30 Late Call. 10.35 Appointment With Fear.

SOUTHERN

10.30 am Alright Now! 11.00 Southern [illegible] The Paper Lads. [illegible] The Woozies. 1.20 pm Southern News. 2.00 Friday Matinee: "Exo-Man." 3.50 [illegible] Only Young Twice. 5.15 [illegible] 6.00 Day By Day. 6.00 Scene South East (South-East Area only). 6.30 The Squirrels. 10.30 Weekend. 10.35 Talking Bikes. 11.05 Southern News Extra. 11.15 The Late Film.

TYNE TEES

9.25 am The Good Word, followed by North-East News Headlines. 10.30 Alright Now! 11.00 Southern Report. 11.25 The Paper Lads. 11.50 The Woozies. 1.20 pm North-East News and Lookaround. 2.00 Friday Film Matinee: "A Girl Named Cooner." 3.50 Stars on Ice. 6.15 Makin' It. 8.00 Northern Life. 5.25 Sportstime. 8.00 Fantasy Island. 10.30 Friday Night Film: "The Executioner." 12.20 am Epilogue.

ULSTER

10.30 am Alright Now. 11.00 Southern Report. 11.25 The Paper Lads. 11.50 The Woozies. 1.20 pm Lunchtime. 2.00 Friday Matinee: "The House Of Brede." 3.50 Out of Town. 4.15 Ulster News Headlines. 5.15 Sygonos. 6.00 Ulster Television News. 6.30 Devine Country. 8.00 The Incredible Hulk. 10.30 Friday Night. 10.40 Friday Film: "Madame Sin." 12.20 am Bedtime.

WESTWARD

10.35 am Alright Now. 11.05 Southern Report. 11.25 The Paper Lads. 11.50 The Woozies. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.00 The Friday Matinee: "The White Tower." 3.50 The Electric Theatre Show. 5.15 Oh Boy! 6.00 Westward Diary. 6.35 Time Out. 10.32 Westward Late News. 10.35 Chimley Corner. 10.55 Late Night Movie: "Conflict Of Wings." 12.25 am Faith For Life.

YORKSHIRE

10.30 am Daisy, Daisy. 10.45 Young Fishermen of Boy Bullo. 11.10 Three For The Road. 1.20 pm Calendar News. 2.00 Friday Film Matinee: "In This House Of Brede." 3.50 The Sullivans. 5.15 The Best Disco in Town. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Calendar Sport. 8.00 The Liberace Show. 10.30 Soap. 11.00 "My Lover, My Son."

IBA programmes are subject to interruption because of an industrial dispute

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

6.00 am As Radio 2. 7.02 Noel Edmonds. 9.00 Simon Bates. 11.31 Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.00 Tony Blackburn. 4.31 Paul Gambaccini. 6.31 Roundtable. 8.00 Mike Read. 9.50 Newsbeat. 10.00 The Friday Rock Show (S). 12.00-2.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Ostk Hobson (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.15 David Hamilton (S). 4.15 Much More Music (S). 6.00 News. 6.05 Waggoners' Walk. 6.20 Don Durbridge (S). 6.45 Sports Desk. 7.02 Marks in His Glory (S). 7.30 Sports Desk. 7.33 Fiesta de Dolls (S). 8.02 Johnny Pearson conducts the BBC Radio Orchestra (S). 9.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.02 Take Your Partners of the Radio 2 Ballroom. 11.02 Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

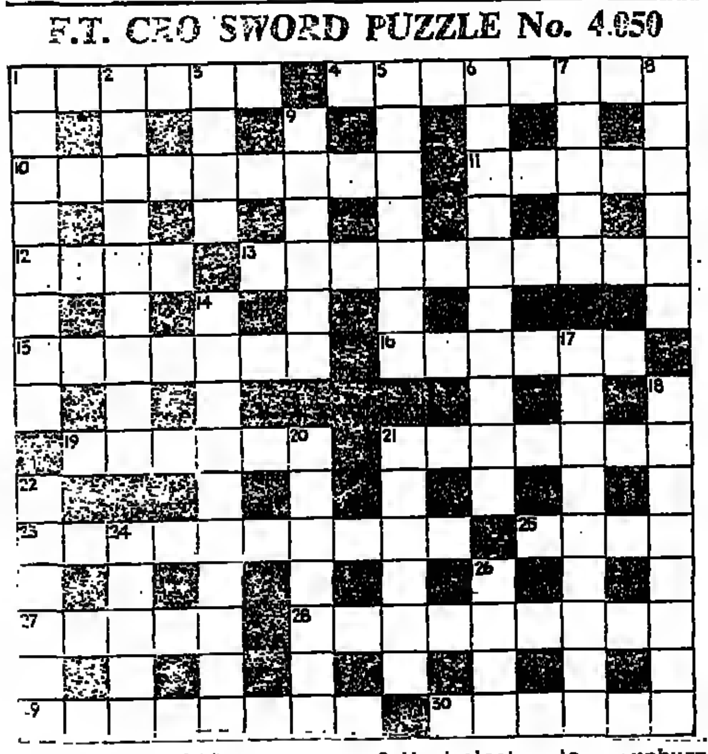
6.55 am Weather. 7.00 News. 7.05 Overture, part 1 (S). 8.00 News. 8.05 Overture, part 2 (S). 9.00 News. 9.05 This Week's Composer: [illegible] (S). 10.10 Schubert and Liszt piano recital (S). 10.45 BBC Welsh Symphony Orchestra (S). 11.25 Cricket: Third Test: England v India, including 1.00 pm News. 1.40 Playbill. 2.00 Lunchtime scoreboard. 6.30 At Home. 7.10 Pied Piper (S). 7.35 Proms '79, part 1 (S). 8.20 The Circul... Ruins. 8.40 Proms '79, part 2 (S). 9.40 Poetry Cambridge. 10.40 Villa-Lobos (S). 11.00 News. 11.55 News.

VHF with Medium Wave above except 6.00-7.00 pm and 11.25 am-[illegible] pm as follows: 6.00-7.00 am Open University. 11.25 Mitsuko Shirai in Schubert, Brahms, Webern and Wolf (S). 12.10 pm BBC Symphony Orchestra, part 1 (S). 1.00 News. 1.05 Playbill (S). 1.25 BBC SO, part 2 (S). 2.15 Tovey (S). 2.50 Carmina [illegible] choral concert, part 1 (S). 3.20 Interval Reading. 3.40 Concert, part 2. 4.10 The Glazunov Symphonies (S). 4.45 Comparing Notes (S). 5.45-7.00 Open University.

RADIO 4

5.00 am News Briefing. 6.10 Farming Today. 6.30 Today. 8.45 The Enchanted Places. 9.00 News. 9.05 Baker's Dozen (S). 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 Down Your Way. 11.45 Listen With Mother. 12.00 News. 12.02 pm You and Yours. 12.27 The Enchanting World of Hinge and Bracket (S). 12.55 Weather: programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 The House of Elvie. 4.35 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather: programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 When Man and Mountains Meet (S). 9.15 Letter From America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Grumbleweeds (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Travels of a Gentleman. 11.45 Just Before Midnight. 12.00 News.

F.T. CROSSWORD PUZZLE No. 4,050



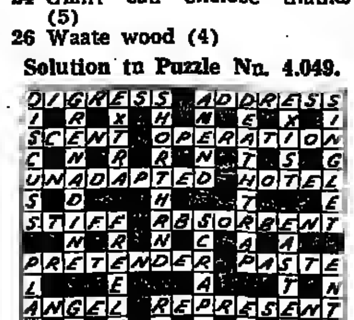
ACROSS

1 Hedgehog ... pussyfoot moreover (2, 4)
4 Hard to understand a second-class road stratagem (8)
10 Creature having climbs (9)
11 Strange thing going on in the dark (5)
12 Instrument recording sound of Munchausen (4)
13 Bribe arranged with a courtly stroke (10)
15 The unemployed with relief eventually become sad (7)
16 Appreciation of hospitality to man on the tiles (6)
19 Two keys to garden party decadent (6)
21 What's in being happy? (7)
23 Money and celebrity are deserving of attention (10)
25 Talk of one of the nine (4)
27 Parent of winner on board (5)
28 Brief one left a long time in area attached to house (9)
29 Evil in putting relative about (8)
30 Hired out before one left plant (6)

DOWN

1 Sword one may have to shoulder sir (8)
2 Male voice symbol into which staff is pitched (5, 4)
3 Keen to have Biblical king beheaded (4)
5 Wave to a real smasher (7)
6 Equivalent to sunburn thanks to horse (10)
7 Driven to ancient city by note to newsman (5)
8 Squeeze Egyptian leader multiplied by breach of duty (6)
9 Tell how to undo docker's work (6)
14 Behind children court protected later (10)
17 Performer by river ignored social worker (9)
18 Heavenly finding tale here retold (8)
20 A care he takes to give pain to listener (7)
21 Stay together to take care of female's point (6)
22 Article on Northern Ireland to sum up with hostility (6)
24 Giant can enclose thanks (5)
26 Waste wood (4)

Solution to Puzzle No. 4,049



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 240 5258. Reservations 836 3161.
ENGLISH NATIONAL OPERA
Tonight, Tues. & Thurs. at 7.30: Die Fledermaus. Tomor. & Wed. at 7.30: "BEST THRILLER..." Valkyrie. Wed. at 5.30: Siegfried. 104 balcony seats avail. from 10 am on day.

ROYAL FESTIVAL HALL. 928 3191. Until Aug. 25. Evgs. 7.30. Mat. Sats. 3.
LONDON FESTIVAL BALLET
Until Tomor. Raymonda. Tonight Loogenborg. Tomorrow Aug. 22 to 25: La Sylphide.

SADLER'S WELLS THEATRE. Rosebery Ave. EC1. 837 1672. From Aug. 21 to Sept. 1. Evs. 7.30. Mat. Sat. 2.30.
THE SCOTTISH BALLET
Rep. incl. Underground Rumours, Napoli, Swan Lake, La Sylphide. Valses.

SADLER'S WELLS THEATRE. Rosebery Ave. EC1. 837 1672. Until Tomor.
DANCE THEATRE OF HARLEM
Tonight 7.30: Serenade. Troy Game. Manifestations. Four Temperaments.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evenings at 7.30. Mats. Thurs. at 3.00 and Sat. at 4.00. JOHN INMAN in "GLORIOUS FARCE." Daily Telegraph. CHARLEY'S AUNT

ALBERY. From 8.30 am incl. Suns. 836 3878. CC bookings 836 1071-3. Evgs. 7.45. Thur. and Sat. 4.30 and 8.00. A THOUSAND TIMES WELCOME IS LIONEL BART'S OLIVER "MIRACULOUS MUSICAL." Financial Times. with ROY DOTRICE, GILLIAN BURNS, MARGARET BURTON. Party rates and student stand-by avail.

ALDWYCH cc 836 6404. Info. 836 5332. Fully air conditioned. ROYAL SHAKESPEARE COMPANY in repertoire. Final perfs. Ton't 7.30. Tomor. 2.00 & 7.30. THE WHITE GUARD by Mikhail Bulgakov. "Exciting warm-hearted ... enchantingly tender." D. Tel. With: WILD OATS (Mon. 7.30). ANTONY AND CLEOPATRA (sold out). RSC also at THE WAREHOUSE (see under W).

AMBASSADORS. CC. 01-836 1171. Evs. 8.00. Fri. and Sat. 5.30 and 8.30. DINSDALE LANDEN GWEN WATFORD DAVID BURKE ANGELA DOWN in BODIES By James Saunders. "THE IMPACT HIT ME LIKE A THUNDERBOLT FROM JOVE. THE LANGUAGE BLAZES WITH WIT AND INTELLIGENCE AND ITS THEME ELECTRIFIES." Daily Mail. BODIES "WHEN WE HAVE LAUGHED AT ITS WIT, BEEN HELD IN THE GRIP OF ITS DRAMA AND REVELLED IN THE COLOUR AND LAYERS OF ITS LANGUAGE BODIES STILL RAISES ECHO AFTER ECHO IN OUR MINDS AND HEARTS. DINSDALE LANDEN'S PERFORMANCE IS WORTH GOING MILES TO SEE." Bernard Levin. BODIES "MR. LANDEN GIVES WHAT I INSIST IS THE BEST PERFORMANCE IN A MODERN PLAY NOW TO BE SEEN IN LONDON." Ev. News.

APOLLO THEATRE. CC. 01-437 2663. Evs. 8.0. Sat. 5.0 and 8.0. Mat. Th 3.0. IAN LAVENDER TERENCE EDMOND JULIA FOSTER in HAPPY BIRTHDAY. A VERY FUNNY NEW COMEDY BY THE AUTHORS OF BOEING, BOEING. "FEYDEAU LIVES. CA VA." Gdn. "IT WILL PROBABLY RUN AND RUN." Daily Mail.

ARTS THEATRE. 01-836 2152. TOM STOPPARD'S DIRTY LINEN "Hilarious ... see it." Sun. Times. Monday to Thursday 8.30. Friday and Saturday 7.00 and 9.15. NOW IN ITS 4th YEAR. Lowest priced, best seats in London. £4.00, £3.55, £1.60 plus 15p temp. members.

ASTORIA, Charing X Rd. S. CC. 01-734 4291 or 439 8031. Mon.-Thurs. 8 pm. Fri. and Sat. 6 and 8.45 pm. LIVE ON STAGE "GREASE" "ENERGY AND VITALITY AND SHEER EXUBERANCE." Daily Express. GREASE "AS SLICK, SMOOTH AND SLEEK AS GREASE SHOULD BE." The Sun. Group bookings 01-437 3856. Concessions for Children.

CAMBRIDGE. 01-836 6056. Also opens Sun 11 am-7 pm. CC. 01-836 7040. Mon to Fri 8.0. Th 3.0. Sat 5.0 and 8.30. CHICAGO THE HIT BROADWAY MUSICAL "THERE HASN'T BEEN A MUSICAL IN LONDON FOR A LONG TIME THAT COMES WITHIN A MILE OF IT." F.T. Reduced prices for Groups: 01-437 3856 and 836 6055. Student Standby £1.50.

COLLEGIATE THEATRE. 01-388 7236. 387 9629. Tom Stoppard's latest play DOGG'S HAMLET CAHOOT'S MACBETH by the British American Repertory Company. World Premiere tour. Must go to U.S. Sept. 2nd. "Funny ... knockabout farce." "Impressive ... funny ... slabs of Shakespeare which chill the blood." D. Tel. "Inspired compression of the tragedies." —Fin. TIMES. "Zany farce ... unrelenting jokes." "Ingenious ... beautiful scholarly japes." "Lightning cartoon Hamlet." —GDN. "Comic triumph."—E. NEWS. "Splendid intellectual slapstick."—E. STANDARD.

COMEDY THEATRE. CC. 01-930 2578. Mon.-Sat. 9.00. Mats. Fri. and Sat. 6.30. THE ONLY ROCK 'N' ROLL SHOW THE ROCKY HORROR SHOW

CRITERION. From 8.30 am incl. Sun. 930 3216. CC bookings 836 1071. Mon.-Thurs. 8.0. Fri. and Sat. 5.30 & 8.30. IAN McKELLEN, TOM BELL "I DOUBT THAT THERE ARE TWO FINER PERFORMANCES IN LONDON." Punch. BENT by Martin Sherman. Directed by Robert Chetwyn. "FASCINATING ... A WORK OF CONSIDERABLE DIGNITY AND PASSION." Guardian.

DUCHESS. 01-836 8243. Mon. to Thurs. Evs. 8.00. Fri. and Sat. 5.30 and 8.15. OH! CALCUTTA! "The nudity is stunning." Daily Tel. 10th INCREDIBLE YEAR

DRURY LANE. CC. 01-836 8108. Evs. 8 pm. Friday and Saturday at 6 pm and 8.45 pm. The 0's Extravaganza BRASIL TROPICAL "The dancers vibrate, oscillate and pulsate while topless, yet retaining their baubles, bangles and beads." E. News. By popular Demand. Season extended to Sept. 8th.

DRURY LANE. CC. 01-836 8108. Opens September 25th. Previews from September 21. CAROL CHANNING in HELLO DOLLY! with Eddie Bracken. Box Office now open.

FORTUNE. 836 2238. Evgs. 8.00. Mats. Thurs. 3.00. Saturdays 5.00 and 8.00. AGATHA CHRISTIE'S MURDER AT THE VICARAGE FIFTH GREAT YEAR

HAYMARKET. CC. 01-930 9832. Evenings 8.00. Wed. 2.30. Sat. 4.30 and 8.00. KEITH MICHELL SUSAN HAMPSHIRE in THE SHERLOCK HOLMES MYSTERY THE CRUCIFER OF BLOOD by PAUL GIOVANNI. "This kind of spectacle I cannot recall since boyhood ... terrific stuff." News.

HER MAJESTY'S. CC. 01-930 6606. Evenings 8.00. Fri. Sat. 5.15 and 8.45. AIN'T MISBEHAVIN' The New Fats Waller Musical Show. "A RIOTOUS HIT." "JUBILANT. THE BEST PERFORMANCE OF ANY MUSICAL IN LONDON." Obs. LAST 4 WEEKS. ENDS SEPT. 8.

KING'S HEAD. 226-1916. Dinner at 7.30. Show at 8.30. FIFTH WEEK! BITS OF LENNY BRUCE. "SHEER BRILLIANCE." Time Out. "AN EVENING OF SUCH REVERBERATIVE RICHNESS, LAUGHTER AND DELIGHT." Guardian. "WITTY, PROVOCATIVE SHOW." E. Std. "A FUNNIER EVENING THAN I COULD EVER IMAGINE SPENDING WITH LENNY BRUCE HIMSELF." What's On.

LYRIC THEATRE. CC. 01-437 3686. Evgs. 8.00. Mats. Wed. and Sat. 3.00. JESSICA TANDY HUME CRONYN in the 1978 Pulitzer Prize Play THE GIN GAME Directed by MIKE NICHOLS. From Broadway, Limited Season. "TWO RARE AND SUPREME PERFORMANCES." Guardian. "EXTREMELY FUNNY." New Yorker.

MAY FAIR. 01-629 3036. Evenings 8.00. Sat. 6.00 and 8.45. A DAY IN HOLLYWOOD A NIGHT IN THE UKRAINE A MUSICAL REVUE. "Superlative non-stop comedy." E. News. "Laugh riot ... sheer fun ... not to be missed." Express. "The funniest script the Marx Brothers never wrote." Daily Mail.

NATIONAL THEATRE. CC. 928 2252. OLIVIER (open stage): Ton't 7.30. Tomor. 2.00 & 7.30 AS YOU LIKE IT by Shakespeare. LYTTELTON (proscenium stage): Ton't 7.45. Tomor. 3.00 & 7.45 FOR SERVICES RENDERED by Somerset Maugham. COTTESLOE (small auditorium): Ton't, Tomor. 8.00 WINGS by Arthur Kopit. Excellent cheap seats from 10 am day of perf. all 3 theatres. Car park. Restaurant 928 2033. Credit card bookings 928 3052. Air conditioning.

OLD VIC. 928 7616. OLD VIC COMPANY. Michael Thomas and Janet Maw as ROMEO & JULIET. Tonight 7.30. Saturday 2.30 and 7.30. THE GOVERNMENT INSPECTOR August 29. PADLOCK MISS IN HER TEENS opens September [illegible] BUTLER SAW opens October 17. The 98 World Premier November 7.

OPEN AIR REGENT'S PK. CC. 486 2431. Shaw's OVERRULED & O'FLAHERTY V.C. Tonight 8.15. Next Wed. 2.30 & 8.15. TWELFTH NIGHT. Tomorrow 2.30 & 7.45. Sun. at 7.30 GALA MUSIC HALL.

OPEN SPACE. 387 6969. Tues.-Sun. 8 pm. David Mamet's A LIFE IN THE THEATRE "Freddie Jones and Patrick Ryecart give impressive performances ... brings laughs" Time Out.

PALACE. CC. 01-437 6834. Mon.-Thurs. 8.00. Fri. Sat. 6.00, 8.40. JESUS CHRIST SUPERSTAR by Tim Rice and Andrew Lloyd-Webber.

PALLADIUM. CC. 01-437 7373. YUL BRYNNER in Rodgers and Hammerstein's THE KING AND I. Also starring Virginia McKenna. HOTLINE 01-437 2055. Evenings 7.30. Mats. Wed. at 2.45.

PHOENIX THEATRE. CC. 01-836 2294. Evs 8.00. Wed. 3.00. Sat. 5.00 and 8.30. MAGGIE SMITH, PATRICK MOWER in NIGHT AND DAY. A new play by TOM STOPPARD. Directed by Peter Wood. BEST PLAY OF THE YEAR. Evening Standard Drama Award.

PICCADILLY. From 8.30 am incl. Suns. 437 4506. CC bookings 836 1071. Evs. 8. Thu. 3 and 8. Sat. 5.30 and 8.30. PETER BARKWORTH HANNAH GORDON in Brian Clark's new play CAN YOU HEAR ME AT THE BACK. "WONDERFUL PLAY WITH WONDERFUL PERFORMANCES." N.W. "ARTICULATE AND WITTY." O. Exp. "A SUPERBLY ABSORBING PIECE OF ENTERTAINMENT." The Sun.

PRINCE EDWARD. CC. 01-437 6877. Evenings 8.00. Mats. Thurs., Sat. 3.00. EVITA by Tim Rice and Andrew Lloyd-Webber. Directed by Harold Prince.

PRINCE OF WALES. CC. 01-930 8681. Card bookings 930 0846. Mon.-Thurs. 8.00. Fri. and Sat. 6.00 and 8.45. Michael Denison, Dulcie Gray. ALAN AYCKBOURN'S smash-hit comedy BEDROOM FARCE. "If you don't laugh, sue me." D. Exp. A National Theatre Production. Over 500 Performances.

QUEEN'S THEATRE. CC. 01-734 1166. Evgs 8.00. Sats. 5.00 and 8.30. Wed. mat. 3.00. GEMMA JONES PATRICIA ROUTLEDGE in "AND A NIGHTINGALE SANG." The new comedy by C. P. TAYLOR. "WARM AND AFFECTIONATE." Listener. "FUNNY AND TOUCHING." O. Mail. "SUPERB." O. Exp.

RAYMOND REVUEBAR. CC. 734 1593. At 7.00, 9.00, 11.00 pm. Opens Suns. PAUL RAYMOND presents THE FESTIVAL OF EROTICA. 22nd sensational year. Fully air-conditioned.

ROYAL COURT THEATRE UPSTAIRS. 730 2554. [illegible] 7.30 [illegible] WAR & GO HOME [illegible]

ROYALTY. [illegible]

SAVOY THEATRE. [illegible] PLAY OF THE YEAR [illegible]

ST. MARTIN'S. [illegible] AGATHA CHRISTIE'S THE MOUSETRAP. WORLD'S LONGEST EVER RUN. 27th YEAR.

STRAND. 01-836 2660. [illegible] NO SEX PLEASE—WE'RE BRITISH. LONGEST RUNNING COMEDY IN THE WORLD.

TALK OF THE TOWN. CC. 01-734 5051. [illegible]

VAUDEVILLE. [illegible]

VICTORIA PALACE. [illegible]

WAREHOUSE. [illegible] Royal Shakespeare Company. [illegible]

WESTMINSTER. [illegible]

WHITEHALL. 01-930 6692-7765. [illegible]

WINDMILL. [illegible]

WYNDHAM'S. [illegible] ONCE A CATHOLIC [illegible]

YOUNG VIC. [illegible]

CINEMAS

ABC 1 & 2 SHAFTESBURY AVE. [illegible]

CLASSIC 1, 2, 3, 4, Haymarket (Piccadilly Circus Tube). [illegible]

CLASSIC, Leicester Square. [illegible]

CURZON, Curzon Street, W1. 499 3737. [illegible]

LEICESTER SQUARE THEATRE. 930 5252. [illegible]

ODEON, Haymarket. [illegible]

ODEON, Leicester Square. [illegible]

ODEON, MARBLE ARCH, W2. 723 2011-2. [illegible]

PRINCE CHARLES, Leic. Sq. [illegible]

STUDIO [illegible]

هكذا من الأصل

THE ARTS

Cottesloe

Wings by B. A. YOUNG

Wings is virtually a documentary. In 90 minutes, Arthur Kopit shows Emily Stilson, hit by a stroke (a "left cerebral infarction") and treated for it by the staff of a rehabilitation centre, led by a patient therapist, Amy. There is no more to it than that. Some people there may be who will say that this isn't the kind of thing they want to see in the theatre; but if they don't see *Wings* at the Cottesloe they will not see Constance Cummings in a performance of outstanding skill.

Emily is quietly reading when we first see her. A clock ticks beside her, peacefully counting the seconds until, inexplicably, there come little breaks in the sound that herald the disaster. The stroke itself, an experience impossible to represent factually, begins as a pandemonium of sound, a whirl of shutters, a meaningless flicker of voices and movement. When Emily is next before us, she has lost contact with the world outside.

Mr. Kopit presents simultaneously the thoughts in Emily's mind and the events around her as they are and as she perceives them. External sounds seem distorted to her; when a doctor speaks, he speaks gibberish, though she herself believes that she is capable of coherent thought. Simple test questions put to her elicit totally irrelevant answers. Sometimes she imagines that she has spoken when she has said nothing. Perhaps, she thinks, I am surrounded by deaf people, even mad people.

For in her own mind she has created an explanation of what is going on. She has had a crash in an aeroplane (she was once a pilot, and used to give exhibitions of wing-walking). Then she has been captured by some enemy who is trying to extract vital information. Only for some reason she is on a farm.

Constance Cummings Leonard Burt

The way in which she is gradually led by Amy (a sympathetic performance by Gabrielle Lloyd) to understanding of what is going on, and to the ability to express herself coherently, is most interestingly shown by Mr. Kopit. How truthfully, of course I can't say. Who knows what goes on inside a deranged brain? It is all, at any rate, chillingly convincing, and Miss Cummings registers minute subtleties of comprehension in a performance that might so easily become a "cameo." She even seems able to add years to her looks by tiny manipulations of eyes and mouth.

It is a pity, to my mind, that John Madden, who directs here as he did in New York, depicts the agitation of her mind with such a restless production when Miss Cummings could have done it on her own. David Hersey's lighting plot gleams and glooms throughout to indicate changes of feeling as well as of place, and Emily is led endlessly from one side of the stage to the other when she might have rested happily in the centre most of the time. My attention was never in need of any such extraneous boost. I wanted to concentrate on Miss Cummings and Miss Lloyd, not to watch doctors and nurses walking through a great labyrinth of swivelling screens or pushing chairs on and off the stage.

Half Moon

Woyzeck/Mahagonny

It is one of those fortuitous breaks in a critic's life to see Büchner's *Woyzeck* the night after Brecht's *Baal* at Stratford-upon-Avon. The former has an obvious relationship to, and influence on, the latter. Both feature driven heroes careering inevitably to a sordid death in a series of terse and vivid scenes, both depict a conspiracy of Nature demolishing the human spirit, both are startling attempts at a new form of dramatic tragedy.

The ingenuity of the Half Moon knows no bounds. Rob Walker's Büchner production is an overpowering futuristic extravaganza that almost edges the audience out on to the streets. As performed on a large scaffolded set, we are led to believe that all that talk about human and bestial nature has led to a society of Big Brother computerisation and moronic sex between inarticulate soldiers and compliant but disillusioned whores. In the middle, Robin Hooper's muscular, shaven-headed and deeply affecting Woyzeck achieves release by stabbing Marie and stepping, naked, into a raised tank filled with water. The pond, I suppose. He drowns hunched like a foetus.

Elsewhere, though, poignancy is sacrificed in favour of concept, with the Grandmother's speech about the lonely boy who discovered the moon to be a piece of rotting wood taken by an android automaton and Marie's speeches of fear and confession replaced by weird outbursts about sexual organs and a well-endowed Adonis on Margate sands. The fairground interlude is very well done, Matthew Roberton leading the parade beneath an immense puppet and fairy lights.

Maggie Steed and Judy Lloyd Leonard Burt

There is no logical reason why this should be followed by the Brecht/Weill 1927 Songspiel *Mahagonny*. And even less given that the standard of musical performance is so poor and inaccurate and the scenario of a decadent English aristocratic dinner party imposed as an arbitrary frame on the six songs so outrageously inappropriate. Forgetting the score, Maggie Steed (an excellent Marie in the first half) is devastatingly funny as the hostess compelled at one point to serve her guests a mutilated dog; and Judy Lloyd and Robin Soans excellent, respectively, as a soignée punk and stuttering twit. It looks ravishing, but to little effect. **MICHAEL COVENEY**

Cinema

March of the Mods by NIGEL ANDREWS

Quadrophenia (X) Plaza 1
Elvis—The Movie (U) ABC Shaftesbury Avenue
Norma Rae (AA) Studio, Cinecenta, Odeon Kensington
The Brink's Job (A) Classic Victoria

Remember Mods and Rockers? They were the rival youth-gangs that in the infant years of the last decade used to turn Brighton into an annual Austerlitz and wage pitched battle on the streets and beaches. Bones were broken, deck-chairs shredded and the local constabulary over-exercised. Mods wore simple clothes and short-ish, pre-punk hair; Rockers wore black leather and longer, oleaginous coiffures.

Only the British cinema—blind to its own folk culture—could have neglected these crazed factions for so long. *Quadrophenia* leaps into the breach at last, spurred on by the flourishing of gang movies and '60s nostalgia across the Atlantic, and produces one of the most exultantly offbeat British films I can remember. The story is strung like a necklace — or rather a bicycle chain — around the spiky, volatile head of a Mod called Jimmy. His adventures, first as resident clown and star attraction of his London gang, then as outcast and scapegoat (after he loses his spurs in Brighton by being arrested) have a vivid, choppy realism and a flailing wit unique in recent British films. Phil Daniels's scared-emu features and darting, puckish humour bring the hero to instant life. The Who's music stomps through the movie at frequent, heady intervals (the rock group also executive-produced the film) and Franc Roddam's direction pulls even fewer punches than his fist-happy characters: and lands them as expertly.

What could have been an all-too-typical chunk of British proletarian realism, waterlogged with liberal seriousness and Wednesday Play special-pleading, becomes here a dance, a celebration. If you looked on Mods and Rockers hitherto as beings from another planet, you won't do so after seeing this film. *Quadrophenia* reaches out a grimy hand and hauls you inside the characters' minds and culture. It's fairly squalid in there, but it's also funny and unpredictable and insidiously infectious. The film doesn't ask you to *approve* the characters' actions (Heaven forfend) —which include crashing and smashing a genteel suburban party, breaking-and-entering a Chemist shop to steal Purple Hearts, and launching themselves with fists flying on a gang of unsuspecting Rockers outside a cafe — but it does make you feel the pulse of their excitement.

During the climactic street battle in Brighton, the hero and his girl nip away down a dark alley for a bout of impromptu love-making. The camera, cutting between their quick, breathless lust and the rampaging chaos on the streets, succeeds in conveying—as few British films have ever had the talent (or the courage) to do—the aphrodisiac power of violence.

For once, too, in a British film one accepts the lopsided portraiture of the "enemy class." Jimmy's effete, toffee-nosed boss at work would be an imbecilic caricature (and comparable roles often have been) in a film purporting to be realistic: in a socially conscious 1950's melodrama or weepie. Here, where everything is seen through the hallucinating eyes of gang aggression, he's one more hyperbolised totem-figure in the cumulative dream-nightmare. The film's weird, surrealistic last act—in which the rejected and desperate Jimmy seems to "implode" into madness, taking first a transformation-scene train journey back to Brighton in which he dons a blazer, a tie and a touch of mascara, and then a suicide trip out to Beachy Head—is as mad, memorable and modernistic as any sequence in recent British film history.

*

Elvis—The Movie, by contrast, is so old-fashioned as to seem extinct. This dodo of a Hollywood bio-pic walks and talks and sings, and even dances, but never quite persuades you that it's alive. Director John Carpenter has previously sharpened his nostalgic reverence for Hollywood on lively thriller subjects—*Assault on Precinct 13*, *Hallowe'en*—in which one was too busy gasping and screaming to be troubled by the traditionalism of the direction. Indeed it seemed a boon rather than a snag—as if Howard Hawks or John Ford had returned to us in a celluloid Second Coming.

But in *Elvis* every step forward in the story comes with a creak, every composition has "Hollywood" written through it like letters in a rock, and every character grouping has a full - blown, rose - lipsticked "statuesquery" reminiscent of a 1950's melodrama or weepie. Elvis, played by a pouchy-cheeked, bass-drawling look-alike called Kurt Russell, goes through the staging posts of a life with which everyone by now must be familiar: fame-against-odds at an early age, the shrewd and energetic promotion of his 'manager Colonel Tom Parker (played here by Pat Hingle), the model-citizen willingness with which he was drafted into the U.S. army for two years' National Service, his marriage, his increasingly shut-in life at his colonial mansion, his come-back appearance at Las Vegas.

Shelley Winters mops and mows, in the way only she can, as Elvis's mother: more doted-on by him than doting. Those bewildered, short - breathed bleats of hers, like a running distress signal, are here deployed to greet the appalled succession of unsolicited luxuries her son showers upon her: now a diamond brooch, now a Cadillac. When Miss Winters is on the screen she fills it (indeed she's practically grown into the wide-screen ratio); but when she's off the screen there's a big gaping hole. Kurt Russell is so straitjacketed by the exigencies of aping Presley's mannerisms that he doesn't have the time or freedom to act. While he is over exercised, the rest of the sketchily-drawn cast are under-exercised: and the film slides slowly towards the inevitable all-song finale (at Las Vegas) which gives the film's begetters a chance to pack a few more tracks on to the film's equally inevitable tie-in LP.

Norma Rae is also an essay in opportunism, although it's a long way from the life of Elvis Presley to the exploits of a plucky Southern textile-worker (Sally Field) whose attempts to Unionise her factory excite the quadri-lateral wrath of her employers, her husband (Beau Bridges), her father (Pat Hingle) and even at first her fellow-workers.

A big question-mark hangs over this film, and sometimes it threatens to fall down and give the movie concussion. The question is this: to what end does *Norma Rae* (and similar films with a similar theme — viz. last year's *FIST*) glorify the courageous infancies of the union movement? Is it appreciation of innocence by contrast with experience? Or is it subtle propaganda, so that the glow of pioneer heroism may steal forward from the political backwater to the industrial jungle and halo the exploits of less popular union workers and leaders?

With Martin Ritt directing, one can be fairly sure it's the latter. Ritt tends to fall into positions of reverence when dealing with any persecuted group (blacks in *Sounder*, Left-wing writers in *The Front*). But it's less his pie-eyed championing of the downtrodden that troubles one than the fact that he keeps having to (or preferring to) reach back into the past or into areas of political primitivism to find them. It's a sort of *nostalgie de la souffrance*.

Since *Norma Rae* has a lively, abrasive script (by Harriet Frank and Irving Ravetch, who wrote *Hud* for Ritt many years ago) and two terrific performances by Sally Field as the heroine and Ron Leibman as the overworked and wisecracking Jewish union organiser, the problem of where-it's-all-going is less distracting than usual. One can sit back, switch off the too-querulous part of one's brain and enjoy as social tragicomedy the antics of Miss Field—whose schoolgirl features are graced with a wonderful down-pout of the mouth—as she stomps through her factory showering leaflets, wagging fingers at foremen and taking up 1-shall-not-budge positions on factory tables, like a one-woman Mrs. Pankhurst. Sally Field won this year's Best Actress prize at Cannes and deserves next year's Oscar. It's an ill film that blows nobody any good.

*

At the preview-theatre screening of *The Brink's Job*, a new "heist" thriller by William (*French Connection*) Friedkin, someone in an adjoining room was singing, in a fulsome baritone, "O Sole Mio." He should be signed up immediately. I much preferred his recital to the film.

When you have seen one perfect-robbery film you have not necessarily seen them all, but you *feel* you are seeing them all while watching this desultory compendium of comedy-thriller clichés in which Peter Falk, Warren Oates, Peter Boyle, Allen Goorwitz (who used to be called Garfield) and others rob a high security firm in Boston. The film stutters, sputters and gutters its way through 102 minutes like a draught-blown candle, never quite giving one the relief of going out. Oates with his crumpled face and voice is watchable, Falk does his brave best to disguise his Columbo tics and inflections with a large felt coat, but the best performance of the afternoon came from the Italian virtuoso next-door.

A scene from 'Quadrophenia'

Elizabeth Hall

South Bank Summer Music by DAVID MURRAY

Wednesday's English Chamber Orchestra concert began cheerfully with Mozart's Serenata Notturna, and ended buoyantly with the "Linz" Symphony, no. 36. In the former, Pinchas Zukerman was less conducting than participating (on viola) in the *concertante* quartet (the programme note assured us that there was no double bass in the orchestra proper, in which case Philip Simms was playing the biggest cello I have ever seen). With the Symphony, Zukerman and the ECO achieved their liveliest rapport so far this season: a clean, bright performance, with the conductor's right foot less audibly in evidence than before.

In the middle of the programme came French concertos. Germaine Tailleferre's early Harp Concertino and Poulenc's 1938 Concerto for Organ, Strings and Timpani. Most of the musical burden of the Concertino—a frail and shyly personal burden — falls to the orchestra, which shouldered it inelegantly enough to suggest too-brief rehearsal; the clouded sound often obscured Nancy Allen's sure-fingered account of the solo part, largely a matter of adding soft glitter to the music wherever possible. For the Poulenc, Leslie Pearson's choice of registrations on the Elizabeth Hall organ was idiomatic and effective, and though his rhythms were not ideally steady the ECO strings supplied exciting attack. As in Poulenc's earlier two piano Concertos, the seemingly haphazard construction serves surprisingly subtle emotional purposes; even in a merely adequate performance the Organ Concerto succeeds against the odds, and this one was better than that.

Tuesday's concert, with the ECO conducted by Daniel Barenboim, served to introduce the 16-year-old Ken Noda, a Japanese-American pianist and composer of precocious gifts. He played Mozart's K.449 Concerto in E-flat, and the Symphonic Variations of Franck. These were enough to demonstrate his easy and polished technique, and a graceful, unassertive style. Though Barenboim made something ripely romantic out of Mozart's score, there was nothing idiosyncratic in Noda's solo performance (except perhaps a trick of thrusting ornaments too sharply into the foreground); it was apt, musicianly and consistent, without shedding any special light on this somewhat neglected work.

The Franck Variations seemed well chosen to show us another range of feeling, without extravagant technical demands. In the event, however, it received what was all in all a faster and louder performance than any I've heard: there was every sign that this was Barenboim's view of the work (young Mr. Noda is studying with him this summer), but it did justice neither to Franck nor to the pianist. The happiest inventions in the piece are much gentler than that. There was too little breathing-space to relish them, too many factitious accelerandos, too violent an attempt to invent a sensational climax for the work. The balance between piano and orchestra was often awry, and Noda's left hand was sometimes inaudible, at the expense of delicate inner parts. About his remarkable promise there can be doubt; he will be interesting to hear in a few years.

Rosehill celebrates its birthday

In September the theatre at Rosehill, near Whitehaven, celebrates its 20th brthday. To mark the anniversary a short programme of attractive events will be presented starting on September 15 and 16 with Joyce Grenfell, who will give an autobiographical talk.

On September 17 the National Youth Jazz Orchestra will make their second visit to Rosehill. Northern Sinfonia follow on September 18 with a special celebration concert under their new artistic director Tamas Vasary who will also play the solo part in Beethoven's Second Piano Concerto.

The celebration continues the following week with a recital on September 26 by Kenneth Sillito and Anthony Goldstone. From September 27 to 29 there will be a production of *Murderer* by Peter Shaffer. On October 4 Los Paraguayos bring the birthday events to a close.

Opera comes to pithead canteen

The English National Opera North Company starts a coalfield tour next month at Barnsley's Barrow Colliery canteen.

The NCB said yesterday: "If the pit productions are a success, the Leeds-based touring company plan to make them a regular feature by extending them to other coalfields in canteens and welfare clubs."

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Friday August 17 1979

Enforcing the tax laws

YESTERDAY'S decision by the Court of Appeal that the Inland Revenue had acted unlawfully in seizing a mass of documents from the Rossminster company has implications far beyond the conduct of tax inspectors and the enforcement of the tax laws. The court's view, that the extensive powers of seizure granted to the Inland Revenue by the 1975 Finance Act must not be interpreted so broadly as to put the tax investigators' decisions beyond the control of the courts, could set an important precedent for other cases involving customs, police and even the competition authorities.

Evasion

The Court's judgment will be welcomed by supporters of individual freedom, whatever their political complexion. Lord Denning's insistence that the Inland Revenue should have been prepared to specify to the Court the offences that it was investigating could even strengthen the hands of campaigners against the law of "Sus." under which the police regularly arrest persons suspected of an intention to commit an offence, without needing to state the offence they suspect.

But the interests of the individual must be weighed up against those of society. Given the increase in tax evasion that has manifestly occurred in recent years, should the Court have given more weight to the interests of the Exchequer?

Unfortunately the origins of the Black Economy are to be found not in any deficiency in the Inland Revenue's powers of enforcement. The real causes of tax evasion are the far more intractable problems of penal taxation, coupled with high inflation and unemployment. These have made tax evasion highly profitable. More fundamentally, taxes on income which are sometimes confiscatory, at a time when inflation is eating away the value of capital, and do not command the moral respect from citizens which is far more important than Inland Revenue investigations in ensuring compliance with the law.

Almost more alarming than the increase in criminal tax evasion, has been the growth of a whole industry, operating well within the law, devoted to the science of tax avoidance.

Distorted

Widespread "tax planning," by which millions of individuals and companies hava distorted all their financial activitiea simply in order to take advantage of tax concessions, appears to have been quite acceptable to successive governments and to the Inland Revenue. What the Inland Revenue has found intolerable, however, has been the success of specialist tax avoidance companies, of which Rossminster has been a leading example. These have devised elaborate and secret schemes, taking advantage of tax loopholes in ways which Parliament certainly never envisaged. But this in no way justifies the Inland Revenue's aggressiveness in this case.

In view of this, the Court's assertion that the heavy-handedness of the Inland Revenue's action in this case was one of the reasona why it has been forced to return all of Rossminster's documents is particularly welcome. The Court made clear that in cases when officials do not abuse their authority or act oppressively, they would bear a less heavy burden of proof, in justifying their actions, than they do in this case.

Extensive

While welcoming the Rossminster judgment, it must be remembered that any law enforcement authority requires powers of investigation, which may need to be more extensive the more complex the offences with which it deals. Another judgment of Lord Denning's, which restricted the powers of the Office Director General of Fair Trading to demand information relating to restrictive practices, has been a thorn in the flesh of the OFT for years and has set back unnecessarily the cause of competition in the British economy. It is to be hoped that the House of Lords, when it rules on the Inland Revenue's appeal against yesterday's judgment, will clarify further the boundary between the rights of the individual and of society as a whole.

The importance of Mr Young

WHATEVER THE ramifications of the resignation of Mr. Andrew Young, the U.S. representative at the UN, one of the most important external problems it highlights is the subject which led directly to his leaving office — the continuing negotiations over the Middle East. It emphasises, in particular, the problems of the relationship between the U.S. Israel's staunchest ally in the region, and the Palestine Liberation Organisation (PLO), Israel's implacable foe. But it draws attention, too, to the need for the participation of the PLO in negotiations if there is to be eventually a comprehensive settlement acceptable to the majority of the Arab states.

The Washington treaty between Egypt and Israel, signed in March this year, was based on the Camp David "framework" agreements reached in the previous autumn. One of these, dealing with bilateral relations, is being put into effect. The second, and more controversial, was supposedly comprehensive, and involved talks about the future self-governing status of Palestinians in the occupied West Bank and Gaza Strip. After five sessions alternately in Egypt and Israel (and with no Palestinians present), it is clear that nothing substantive has been achieved in these talks.

Impasse

Egypt, with an eye to regaining general support from other Arab states, has been trying to get under way a process which would ultimately lead to the formation of a Palestinian state. By contrast, Israeli policy has been based partly on Mr. Begin's reluctance to yield parts of what he regards as the historical land of Israel on the West Bank, and partly by concern about Israel's security. He wants a form of self-government which would lead, in effect, to the inhabitants of these areas controlling their own lives, but not their territory. Not surprisingly a virtual impasse has been reached.

At the same time, the Arabs have in recent weeks been conducting a concerted campaign to present the Palestinians, and in particular the PLO, in a softer and internationally more acceptable light. Next Thursday, there is to be a UN Security Council debate on a Kuwaiti-sponsored resolution aimed at preserving the basics of the seminal UN resolution 242 (which essentially barters Israeli withdrawal from occupied territories against Arab recognition) and at permitting the Palestinians to establish their own homeland.

The most recent Israeli fear has been that the U.S. has been manoeuvring to shift its political allegiance towards the PLO. In reaction, Israel, has threatened to abandon the bilateral talks with Egypt over the West Bank and the Gaza Strip. The resignation of Mr. Young (and all it implies) has been greeted with relief by Israelis. But the Arabs have taken it as a reaffirmation by Washington that it wants to exclude the PLO from all negotiations. Such reaction increases the danger that the Middle East question will be linked ever closer to that of the levels of oil production.

Mirror images

In their own ways, these two reactions are mirror images of the same conclusion: that if there is to be peace in the Middle East, one which would preserve the Egypt-Israel peace treaty as a foundation and model for others, the PLO will have to be involved. At present, and unsurprisingly, this appears to be impossible.

There has however been some detectable shift in Palestinian thinking. From interviews given by Mr. Yasser Arafat, the PLO chairman, it is clear that when he talks about a homeland he is implicitly accepting Israel's existence within the 1967 boundaries. But he has yet to be explicit. If the PLO were to come out more directly by saying that it recognised Israel's right to exist, and if at least a ceasefire were to be pronounced, the deadlock between Egypt, Israel and the U.S. over the future of the Palestinians might be resolved.

Inevitably, the initial stages of such a process would have to be blurred—perhaps through some reinterpretation of resolution 242 to acknowledge that the Palestinians are not just "the refugee problem." This would require Israel to accept the PLO as a representative organisation, something which has been anathema hitherto. It would require of Mr. Arafat that he partially yields his main bargaining card — the outright recognition of Israel — and attempts to keep the fissiparous PLO organisation together. It would not yield immediate results. But it would open the way to broader-based negotiations on the heart of the Middle East problem: how Israelis and Palestinians can live together in peace.

Pitfalls for both sides in the engineering dispute

BY HAZEL DUFFY and NICK GARNETT

ENGINEERING UNIONS are due to extend sanctions against employers early next month in the second stage of what may prove to be a protracted dispute over the engineering industry's national minimum rates and conditions.

So far, industrial action has not been dramatic. Three one-day stoppages at the end of the summer holiday season, and a national overtime ban in a traditionally quiet period for manufacturers was not going to be enough to force the employers back to the negotiating table.

If there is no break in the deadlock before the Confederation of Shipbuilding and Engineering Unions (the Confed) imposes weekly two-day stoppages from September 3, however, the industry could be on course for a long period of disruption with nasty-looking traps for both employers and unions.

Large sections of manufacturing will suffer considerable damage and the support of member companies of the Engineering Employers Federation for the Federation's tough national policy on pay could be tested.

The Confed unions would also be facing a potentially dangerous dilemma. The longer the dispute lasts, the more bitter it is likely to get and, from the unions point of view, the more difficult it becomes to compromise.

A small improvement in the present money and conditions offer which might be viewed as a victory now would probably be viewed as a defeat after two months of industrial action.

There would also be some fundamentally different decisions for the Confed if it decided to extend industrial action even further. Some union officials believe that the two-day stoppages represent the maximum amount of pressure the unions can exert on employers without running the risk of dividing the industry's workforce.

At issue is the national agreement on minimum pay and conditions for the engineering industry—affecting in one way or another 1½m workers in the Federation's 6,500 member companies and a further 1m workers in non-Federation companies. The two sides are in dispute on all major points—pay, conditions and the date at which a new agreement should take effect.

The claim is for an £80 minimum craft rate, with pro rata rises for other grades. The employers have offered to lift the minimum craft rate from the present £60 to £70, the unskilled rate from £45 to £50 and the various semi-skilled rates by 11.1 per cent.

Average earnings in the industry do not directly reflect minimum rates, largely because of two tier bargaining: the national agreement and company-level agreements. The Federation, for example says that its figures for April this year indicate that the average wage for 40 hours working for a skilled man was £82.60.

On pay, however, the minimum rates are generaly used for calculating overtime and shift work premiums which is important in an industry where shift work is common and overtime averages two to three hours a week.

The two principal items in the conditions claim are an extra two days holiday and a reduction in the working week to 39 hours with a commitment to bring it down to 35 by 1982. A shorter working week for manual workers is anathema to employers and the Federation has costed it at 4 per cent of the wages bill for every one hour reduction. Its offer, however, includes a proposal for a working party to study hours and conditions.

Implementation dates have proved a further cause of friction. Traditionally there has been one date for implementing new minimum rates nationally with separate and widely different anniversary dates for individual company agreements. During the past few years of pay policy, with the emphasis on only one wage rise per year, new national minimum rates had to be synchronised with each individual company's local agreement.

The unions have been attempting to get back to a common implementation date for the national agreement. Employers are resisting this because they say the present arrangements—providing a one rather than, generally, a two stage pay rise—allows companies to budget more accurately. The unions point out (and employers concede it is true) that it also gives more elbow room to employers to use the new national minimum rates as a tool to restrict the size of locally-negotiated rises.

Both sides want a national agreement. The employers because it gives the industry some pay cohesion and restricts opportunities for wage leap-frogging; the unions because, among other things, it provides a protective pay net.

"The claim is quite reasonable," says Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers and the principal union negotiator during pay talks with the Federation. "The employers can afford it, make no mistake. On hours, structural overtime is an evil and, to be honest, for those companies that depend on it heavily, it might be better if they were not in the business."

The 18 unions of the Confederation have to face considerable problems if after the two-day strikes go ahead, they then decide that further pressure is needed. Selective region or industry/sector strikes are generally viewed by the unions as divisive. During the last national dispute in 1972, individual company and regional workforces were for a time left to get whatever deals they could following the breakdown of national negotiations. This resulted in protracted strikes and sit-ins in Manchester and one or two other manufacturing centres but little action in some other areas. Considerable recrimination followed and when national negotiations resumed, the settlement was fairly modest.

An all out strike, widely rejected as a viable tactic in engineering by many union officials has a number of major drawbacks. First, it opens up the need for unions to pay costly strike benefit—the AUEW, for example pays strike pay only for periods of three consecutive days strike action or more.

Second, there would be considerable resistance from large sections of the industry's workforce—particularly in those companies where the national agreement is less of a factor in earnings—against losing virtually all income. The unions could not shoulder that successfully for very long.

At the same time, the politics of the AUEW, the dominant engineering union have made the position of their negotiators awkward.

Negotiators had indicated to the Federation that they would accept a £70 craft rate and an unskilled rate of about £52. The union's policy making national committee, however, in a vote that was more reflective of the Left, Right split that a straightforward tactical decision tied the hands of negotiators to the full £80 claim.

There must be a possibility that a slight improvement on pay and conditions, with probably firmer proposals for the working party on conditions, would now be accepted by the national committee if such an offer were made.

Despite the lessons of 1972 there would also be pressure from some union officials to push the dispute back into the regions if it proved protracted, with the probability then of national talks being reconvened.

National level

The unions obviously hope that their action will lead directly to a much improved offer at national level. Mr. Duffy has made great mileage out of the union claim that more than 150 companies (only 10 of them Federation members) have conceded the full demand. While this is undoubtedly very important, especially on the issue of hours, many union officials cast doubts on whether a satisfactory settlement from their view point can be achieved by what is up to now a very limited "crack" in the employers stand.

Mr. Duffy says one of the principal reasons why only a handful of Federation companies have gone down this road is their fear of runing foul of their own employers' organisation.

The Federation is certainly acknowledged to be one of the strongest employers' organisations in the country. Its central purpose is the conduct of industrial relations on behalf of its members, and specifically the negotiation of the national wage agreement. With some 6,500 member firms, it represents most of the big engineering companies (the exceptions tend to be the U.S.-owned groups), many medium-sized firms, and some at least of the large number of small companies in the industry.

Trevor Humphries

Mr. Terry Duffy: "The claim is quite reasonable. The employers can afford it. . ."

In a complex and fragmented industry, it has succeeded in achieving a surprising degree of unity as far as wage negotiations are concerned.

The structure of the Federation is particularly important in determining the degree of support it can expect to get from its members in the current dispute. Originally formed as regional associations in the last century to combat the growth of the labour combines, its regional element is still a strong feature of its organisation.

Two-thirds of the members on the Federation's central management board, which is its operating body, are elected from the regions. This tends to ensure that the smaller and medium-sized companies are adequately represented. One-third of the board is co-opted by the Federation's senior officials in London, and these tend to come from the head offices of the large companies (at plant level, these companies are represented on the regional associations). Several Federation presidents have come from medium-sized and smaller firms—the present holder is Sir Geoffrey Hawkings, chairman of Stone-Platt Industries.

Good communication between members throughout the country is obviously important in getting backing for the Federation's stand. It also made it clear at the start of the current dispute that it would deal with members who do not toe the line by "asking them to resign." While the union claims that ten Federation firms have so far gone over the official offer, the Federation says that its investigations have thrown up only five. Of these, two have withdrawn their offers, one is investigation of another two is being held up because of holidays. The fifth—a small company in the north Midlands so far unnamed—has been asked by its association to resign.

Expulsion, which is what it amounts to, can be a serious matter. It means that a company has to renegotiate the basis of its wage agreement and employment conditions, while it also ceases to be a party to the nationally negotiated disputes procedure. The regional associations also give legal services on employment matters, and will represent companies at industrial tribunals.

Expelled firms could find that their products are "blacked" by Federation firms.

Mr. Anthony Frodsham, the Federation's director-general admits that non-Federation firms might be subjected to this at any time. He describes it as "human nature" but says it does not go so far as amounting to an unwritten law. The regional associations have a good deal of autonomy in deciding how this sort of issue ought to be played.

Another important card that the Federation has in maintaining solidarity among its members is that of using its funds to help companies which get into difficulty as a result of the industrial action.

The problems that could arise from a company being expelled are undoubtedly an element as Mr. Duffy says, in the backing that members are giving to the Federation stand. Equally important, however, is the fact that probably a majority of members, in Mr. Frodsham's view, thought that the negotiating committee of the Federation should have offered no more than £68 per week on the minimum rate. The plain truth for many of them, he says, is that they just cannot afford what the union is demanding.

The engineering industry covers a huge array of companies and products, in which some are obviously more successful than others. But there is little doubt that, for a combination of reasons, the industry as a whole is not faring very well. Much of the industry depends on exports for a good part of its turnover, where it is finding competition increasingly tough. The strength of sterling coupled with the growing pressure in third markets from overseas competitors with surplus capacity, threatens a difficult time ahead. At home, the capital goods investment peak has been passed, while the share held by imported engineering products is creeping up all the time.

The Federation estimates that the increase in labour costs would amount to between 8 and 12 per cent for some companies if the union's claims were met in full, although it would be much less for others. This, it says, will lead to a loss of jobs in an industry where employment has been declining for many years.

The effect that the industry action has had on the industry varies considerably. In most parts of the country, support for the union action seems to have been pretty solid. But those companies engaged in batch production—machine tools, for example—probably have a good chance of making up the lost day during the next four days, in spite of the overtime ban. Other companies say that the overtime ban has held up plant maintenance work—causing delays in start-up.

If the action is stepped up next month, the effects will be more serious, both for the engineering industry and the rest of manufacturing industry.

MEN AND MATTERS

Growing pains in Covent Garden

In a shop window in Covent Garden a large cup is proudly displayed; it was presented last month by Lord Ponsonby, chairman of the London Tourist Board, for the most improved garden in any of the capital's 32 boroughs. In just over a fortnight, the object of this award is to be swept away without trace.

A £10m office block, designed by Colonel Richard Seifert, is to be built where Covent Garden's community garden now blooms. When I called in there yesterday architect James Monahan, a leading member of the community association, was trimming the grass with shears. Nearby children were playing under the eye of a voluntary worker and old people were sitting on seats amid the flower beds.

"On the first two days of September we shall hold a farewell festival," says Monahan. "I imagine there will be at least 20,000 people. Then we shall start ripping the place apart. We shall carry away the £3,000 worth of topsoil we put down. The developers, MEPC, have offered us flower boxes in which residents can put such plants as we can salvage.

Monahan seemed wryly amused that Ponsonby, who handed over the garden cup, was also chairman of the GLC committee which gave MEPC planning permission in 1974. But the mood of other people I talked to in the garden was more emotional. A student, Jane Crewe, looking after a group of toddlers, said: "I am sure there will be big protests before this place is taken away from us."

The walls around the garden are plastered with defiant posters. One says: "London needs another office block like it needs another plague." A banner reads: "Where will we play?—Kingsway Children's Centre."

Monahan says: "Of course, [illegible] can really do. But I just wish the MEPC shareholders knew how much this garden means to the neighbourhood."

Fine judgement

In the dog days of August, there is every reason for avoiding an excess of passion about the financial markets. But I fancy that Investment Research of Cambridge is being a shade too phlegmatic.

Its bulletin for August 8 begins: "At the opening of the market yesterday the Dow Jones Industrial stood at a level from which it could very reasonably have gone down. Instead it went up and we have no reason for believing that the rise was not as reasonable as, if not more reasonable than, a fall would have been." Just to ensure that nobody will rush in to steal such a gem, Investment Research marks its bulletin "Copyright Reserved."

Lure of the Orient

With certain footballers changing hands for the same price as office blocks, it would seem inevitable—as Orient chairman Brian Winston predicts—that the clubs must eventually cease to be run by time-expired millionaires. "Football belongs in the world of commerce," says Winston, 42. "If you are going to be in commerce you have to be commercial. We want the best people with the most talent."

Without being so immodest as to say so, Winston clearly feels he belongs in this category. That, combined with the conviction that "Orient is on the brink of something good," has persuaded him to take the surprising step of leaving his lucrative position as managing director of Fenton Hill International and devote all his time to running Orient.

Until the rules are changed and clubs have paid directors, he is nursing other business interests. He seems to have no secrets about the move only a [illegible] which he championed during a boyhood in Whitechapel—when most of his friends thought Orient, at best, a little quaint compared to Spurs.

The challenge now is as much commercial as sporting, with the club paying out large sums for players, and competing for spectators with West Ham, Tottenham and Arsenal. Winston is concentrating his energies on developing fund-raising and commercial sidelines. His qualifications are impeccable—Fenton Hill, a group based on airport shops, expanded out of all recognition under his management and is now turning over £40m a year.

Pricey ice

It is not often that social services departments make money, but that is the unusually happy prospect for the City of Manchester. For years an enormous painting of icebergs hung on a wall at Rosehill, once the home of the railway millionaire Sir Edward William Watkin, more recently an institution for convalescents, orphans and—currently—boys on remand. During a recent facelift the rather murky canvas was taken down and Sotheby's was asked to dispose of it. The signatore, Frederic Church, did not appear in any list of 19th century British artists and not much was expected from the sale.

It now looks as if Manchester Social Services could be saving the Government £500,000 in 1980. The painting was quickly recognised as one of the great lost works of American art. Church is the leading U.S. landscape artist of the period and was likened to Turner when he exhibited in London in 1863.

"Icebergs" is one of his masterpieces and it seems the American art world has been searching for it for a century. Sir Edward had bought it, hung it at Rosehill, and forgot about it. Sothebys is auctioning it off in New York in October and John Merion, president of Sotheby Parke Bernet New York, is fairly confident that it could set a new auction record for an American painting—which would mean a price in excess of $980,000.

Bankers' field day

A somewhat unusual Australasia versus England cricket match between two teams of international bankers took place at the Conville and Caius College sports ground in Cambrige yesterday.

The 15-men-a-side teams comprised not only English, Scottish, Australian and New Zealand bankers but also bat-wielding and ball-throwing bankers from Austria, China, West Germany and the U.S..

The match was one of the sporting events held on the last day of the 32nd international Banking Summer School (one of the major international events in the banking callendar) which this year returned to England and has been in session for the past fortnight—200 bankers from 57 countries discussed the problems of "financing long-term development."

The cricket match is a regular feature of the summer school and was even played in Moscow in 1962, when the carpenters of Moscow University managed to knock up some serviceable bats and stumps.

Rural chic

A former army officer tells me that he applied last month for an administrative job on a ten-acre "self-sufficiency" farm in Devon. The interview went well until the man in charge asked: "*I suppose you have additional income?*" My friend sadly confessed that he had not. The response was one of shock: "But you can't possibly go in for self-sufficiency without private means."

Observer

WHO CARES FOR THE BOAT PEOPLE?
The British Council for Aid to Refugees (BCAR) is the coordinating voluntary agency for the RECEPTION AND RESETTLEMENT in this country of Indo Chinese refugees.

Along with its member organisations BCAR is also operational, caring for thousands of these refugees, as it has for previous victims of persecution who sought refuge in the United Kingdom.

The Boat People who reach our shores are survivors. We can affirm from experience that their skills, abilities and determination will soon be enriching our nation in many ways.

The welcome given in this country will be a success story for us and for them. They want to be of service. Please enable us to make the future dispel the memories of their anguish and fears.

Your practical help and [illegible] are needed, although the Government is meeting the major cost of reception and initial resettlement.

Express your sympathy with a generous donation to:

Kenneth Lee – Chairman
British Council for Aid to Refugees, (Room 4)
35 Great Peter Street, London SW1 3RL

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هكذا من الأصل

Robert Graham in Madrid reports on the Spanish Government's somewhat belated attempt to deal with an economy plagued by difficulties

Shaky start for Spain's economic programme

THE SPANISH Government has a talent for self-inflicted injury. Frequently this has happened over economic policy when the Government has committed itself to a timetable. No sooner is a timetable made than the Government proceeds with a lack of urgency that exasperates even its strongest supporters. The ensuing delay not only squanders goodwill but lessens the impact of the measures when finally introduced. A particularly good example of this behaviour has been the Government's new economic programme, finally announced this week.

To head off criticism that nothing was being done to revise projections that were looking increasingly out of date, the Suarez Government undertook on May 10 to present before Parliament an economic programme within two months. By the end of July Parliament broke up and still there was no economic programme, or rather there were sufficient leaks to suggest one had been completed but no one knew when it would be announced. It was put about that the economic overlord, deputy premier Sr. Fernando Abril Martorel, was waiting for the right moment to achieve maximum impact—which incidentally had passed since in August more Spaniards are interested in holidays than in economic plans. Then this Tuesday, without any apology for the delay, the programme was released at a Press conference that had been hurriedly organised the same day.

This poor sense of public relations is particularly unfortunate. Not only does it undermine the sense of economic crisis which the Government is rightly generating. It also detracts from the impact of the programme itself which, apart from specific targets for the rest of 1979, is the first considered approach as to how democratic Spain's economy should evolve over the next few years.

In presenting the programme this week, Sr. Abril did not conceal the seriousness of Spain's economic position. "It is bad, very bad," he said. Of the OECD countries, Spain continues to sustain one of the highest levels of inflation and ooe of the greatest percentages of unemployed in addition to possessing a series of deeply troubled sectors like steel and shipbuilding ill equipped to cope with a deep recession. Why then delay the economic programme until four months after the present Government took office?

For a start, the Government was slow to realise that its initial projections for growth, wages and inflation were being overtaken by events. Not until the end of April was it realised that the average wage settlement was above the anticipated 12 per cent norm, that public sector credit had expanded too rapidly, that inflation was not coming down and that unemployment was not levelling off.

By inclination Sr. Abril would have preferred some fine tuning. But the message both from the employers federation (CEOE) and the trades unions was that the Government had to show the way and come up with a formal plan. As a result the Ministry of Economy was pressed into service to adapt a medium term scheme on which it was working. This led to inevitable frictions, trying to mould a series of short term measures and projections on to a larger statement of economic intent, when new elements emerged, completely altering the picture.

The OPEC price rises at the end of June cumulatively increased Spain's energy costs by 70 per cent in six months. Parallel with this, much more bearish forecasts of domestic growth began to filter in, also affected in part by downgrading of international growth estimates. Finally the Government received some alarming statistics on public sector spending, the main source of economic activity this year. If spending continued to follow the trend of the first half year the anticipated public sector deficit would be Pta 400bn (£2.8bn) double the initial estimate. Perhaps it was just as well that the final version of the programme came late enough to take account of all these changes.

But given the sanctity of August as a month of holidays and the torpor which surrounds the early days of September, valuable time has already been lost. This year the gloomy picture of deep recession will not alter. GDP is now projected to grow at 2.6 per cent, half the original estimate and almost one point below projections offered in April. This will be the lowest growth registered in Spain in over a decade and is the culmination of a progressive recession that began to be felt in 1976. If agriculture fails to pick up in the latter part of the year, growth could be even lower. In the industrial sphere the most the Government is hoping for is the financing of some building up of new stocks. Demand for industrial products is at an all-time low and steel consumption is below level of five years ago. One significant indicator was a 49 per cent drop truck sales in April.

The Government is now projecting an inflation rate of around 16 per cent for 1979. Its original hope was to cut it to 12 per cent. At least two per cent of this is attributed to increased energy costs. The 16 per cent projection is almost certainly optimistic—the recent OECD report on Spain forecast up to 18 per cent. Much depends on the Government being able to persuade Spaniards that they should absorb increased energy costs without demanding compensation in the form of a increase in wages. Hence in the mid-year inflation adjustments to wages the energy increase element have been ignored. The trades unions for their part have yet to formulate a response.

The main weapon for controlling inflation continues to be a tight monetary policy. Here the Government has committed itself to cutting back public sector spending, though the measures anticipated will still leave a deficit of Pta 100bn (£714m), more than originally planned. An across-the-board cut of 2.6 per cent in all current spending is being imposed on every department, some pay increases are being postponed and the vast social security budget is to be pruned. The steep rise in the public sector deficit has been one of the inevitable results of the advent of democracy in Spain at a time of recession. The social security budget, which covers pensions, unemployment and health payments, represented 8 per cent of GDP at Franco's death in 1975. It now represents 12.5 per cent. In three years public spending has increased five times to over £1bn. (50 per cent of this now goes on pensions, another quarter to unemployment benefit and still only half the unemployed are actually receiving any benefit).

Debt-ridden

There are two other burdens on public spending. The first is the municipalities, which since April have been run by freely-elected administrations. The debt-ridden state of the municipalities had been ignored by Franco and, until the elections, had been given scant attention by Sr. Suarez. Therefore belatedly the Government has done what it has known it should for some time: pump large sums of money into many municipalities to keep them from going bankrupt. The second burden is that of State-controlled companies in difficulties which has increased sharply as a result of the high cost of money and depressed domestic demand. Massive handouts are being given to steel, shipbuilding and mining in particular, both to cover current spending and as soft credit for restructuring. In addition, the Government has been obliged to create a special crisis fund to help investment and those areas most depressed, like Andalucia, where unemployment is as high as 16 per cent of the working population.

By cutting back public spending, the Government not only hopes to ease inflationary pressures but also to make more credit available to the private sector, which in turn will ease the cost of such credit, so stimulating investment.

Most of the measures which the Government should have taken have now been adopted: though admittedly 18 months late, Spain at last has a more realistic energy pricing policy: Liquidity has been drained by obliging banks to place a higher percentage of funda with the Bank of Spain and the artificial appreciation of the peseta against the dollar has been halted: and serious efforts are being made to end the old protectionist mentality so that the country is in a position to cope with EEC entry.

The real problem now is that the Government wants (as spelled out in the economic programme) to create a liberal market economy, yet the private sector is in no shape to cope. Earlier this year, in the wake of the election success of Sr Suarez's Union de Centro Democratico (UCD) Party, the banking and business communities seemed confident about the country's future—a confidence which had been withdrawn after Franco's death. Yet the Government lost this moment and now once again the business community is in a pessimistic mood. There is neither proper trust of, nor confidence in, the emerging trades union movement. The Government is considered frequently unhelpful and too often arbitrary (a sorry charge when UCD's interests are basically aligned with those of the employers).

The existing financial system is of little help in stimulating investment.

The Government has tried to change the old interventionistic system of credit control whereby a high proportion of bank deposits were channelled into Government - directed investments at low interest rates (the so-called privileged circuits) but when operating a tight monetary policy, this has simply meant that medium and long term finance, other than from official sources, has dried up. Companies have had enromous difficulties refinancing existing debts.

The financial position of the majority of the better-known companies in Spain has deteriorated sharply in the past two years as they have had to sustain production lines and workforces established on over-optimistic growth forecasts back in 1973/1974. What is more few have had the caution to guard against a long recession. Hence, more bankruptcies and temporary receiverships are expected to follow the already long list. The Government, for its part, has had to retreat on interest rate liberalisation: the big banks have been persuaded to lend cheaply to large companies in difficulties, and in the new economic programme the monthly reductions in the percentages allotted to the privileged circuits have been frozen until March to squeeze some £500m in special credit for the capital goods manufacturers.

The Government could go a long way towards satisfying employers now by approving a new labour law which allowed greater freedom to hire and fire workers. Yet, if this happened, the trades unions would be provided with an ideal focus of opposition to the Government. The leading trades union, the Communist-controlled Federation of Workers Commissions (CCOO) is preparing for a "hot autumn" both to assert its own weight and to protest against the erosion of wages by inflation. The Government has embarked on the dangerous move of trying to divide the unions by sweet talking the second leading trade union, the Socialist General Workers Union (UGT), but the wisdom of such divide-and-rule tactics is open to doubt as a means of achieving industrial peace.

The unions in general are becoming restive about the unemployment situation. Last year, the sharp rise in unemployed was grudgingly accepted in the context of consensus politics—the so-called Moncloa pact agreed between the Opposition and Government. But now official unemployment is up to 1.2m, almost 9 per cent of the active population. It is estimated that the economy needs to attain a minimum of 4 per cent growth before any real reduction is achieved in unemployment.

If the State wants to reduce its interventionist role, as it says it does, the encouragement of private investment becomes vital. At least part of the burden here is on the Government, for the latter must generate confidence. For at least two years Sen. Suarez has stated that the economy is the number one priority, but it has not been treated as such. In the past there were good excuses — the constitutional debate, elections, regional autonomy statutes. But now none is left.

Sr. Fernando Abril Martorel, Spain's deputy premier—in presenting the programme this week did not attempt to conceal the seriousness of Spain's economic position. "It is bad, very bad," he said.

SPAIN'S BALANCE OF PAYMENTS

	$bn 1978	$bn 1979 (est.)
Imports	17.5	22.6
Exports	13.9	16.9
Trade balance	−4.02	−5.75
Balance of services	3.97	5.23
Tourism/Travel	4.9	6.3
Investment	−1.1	−1.2
Royalties/Licences	−0.3	−0.4
Balance of transfers	1.65	1.78
Current account balance	1.6	1.2

Source: Ministry of Commerce

Letters to the Editor

World oil supplies

From Mr. W. Cooper

Sir,—Professor Odell's speech (August 10) was much more than an "optimistic forecast" of oil reserves, it was both a dangerous illusion and "mischievous nonsense."

On the basis of present, proved reserves, which is a much more realistic concept than unproven, yet-to-be-discovered resources, the world-outside - Communist - area's (WoCa) had reserves of 75.3bn tons of oil at the end of 1978.

If we consider Professor Odell's claim that annual economic growth could be maintained at 3 per cent per annum, with only a 1.5 per cent annual increase in oil consumption (a highly suspect relationship ratio), it would mean a cumulative consumption of 74.5bn tons of oil (MTO) between 1979 and 1999 inclusive. In other words, all present known WoCa oil reserves will have been exhausted.

It is not without interest that only 24 hours prior to Professor Odell's remarks Mr. Ulf Lantze, executive director of the International Energy Agency, said that world oil supplies could fall short of demand by as much as 4m barrels a day (MBD) by 1985, and this shortfall could reach 10m MBD by 1990, and 28m MBD by the year 2000.

Recent oil discoveries have been running at just over 10bn barrels a year. If we are to reach the end of the second quarter of the 21st Century (a period of 70 years from next year) the amount of oil which has to be discovered to meet this level of consumption has to be of the order of five times as much as present known reserves. This is on the 1.5 per cent growth rate in energy (and as suggested in Professor Odell's scenario.

According to British Petroleum the discovery of 18bn barrels of oil a year (BBY), or 2.4bn tons is an optimistic rate of discovery. In 1974 the United States Geological Survey predicted that oil to be found on the Atlantic seaboard might approach half U.S. oil reserves, yet, to date there has not been a significant discovery there, even though oil companies have drilled numerous exploratory wells.

Thus, the reality of the WoCa situation is that on present known reserves we have about 25 years' oil supply left. We can summarise the prevailing situation in WoCa at the end of 1978 as follows:—

	bn. barrels
Cumulative production to end 1978	346
Reserves at end 1978	555
Sub total	901
Odell's forecast reserves	2,778

So we can see that to meet Professor Odell's forecast would require new reserves of the order of 39bn barrels a year (on average), where 10bn barrels a year was the experience in 1976 and 1977, for every one of the next 70 years—including 1979!

It is difficult to believe that the oil so far discovered in the world constitutes a quarter of all the oil available to be discovered, and possibly the most difficult quarter at that. What does seem more reasonable is that we have now located the "easiest" reserves and future finds will prove more difficult to recover.

Winston A. Cooper.
Ronmore,
Raleigh Drive,
Claygate,
Esher, Surrey.

Overseas students

From the Deputy President, National Union of Students

Sir,—I read with interest Michael Dixon's article on overseas students on August 10. My attention was focused particularly on the comments Mr. Dixon made about the National Union of Students.

To say simply that NUS is anti-imperialist and is therefore easily distinguishable from "adult education interests" is rather infantile. NUS has always adopted what is regarded at least in Government circles as a responsible attitude towards the problems of overseas students. While we do not always agree with Government policies in this matter, we have sought to couch our arguments in terms which relate to those policies and answer many of the questions posed by them.

This I may say is clearly something that your newspaper has failed to do, preferring instead to accept unequivocally a number of highly contestable assumptions about the funding and cost of such students.

NUS does not believe as stated that: "public spending of any amount can be funded, if not from trees, then certainly from the overflowing pockets of capitalists." We are well aware of the financial limitations facing Government and educational institutions and have sought as a consequence to propose policies which take account of this unfortunate dilemma.

It is our belief that overseas students make a valuable contribution to the educational system in this country, providing as they do, a wider world-view and range of experiences than that normally available to UK students. We do indeed believe that Britain has some responsibility to its former colonies, whose educational and industrial systems are based in the main on the British model.

I hope that in future your newspaper will take a rather more serious, and if I may say so, enlightened attitude to the problems facing overseas students and the educational system in general.

Alan Christie,
National Union of Students,
302, Pentonville Road, N1.

Engineering education

From the Secretary, The Institution of Electrical Engineers.

Sir, — The initiative taken by GEC (Management Page August 15) to sponsor an advanced engineering degree course at Bath University, especially tailored to meet its industrial needs, is indeed most welcome. It is wholly consistent with the view, repeatedly expressed by the Institution of Electrical Engineers, not only that modern industrial needs call for radical improvement of the education and training of our professional engineers, but also that new and improved degree courses should be worked out and carried out by the engineering schools in collaboration with industry.

While the GEC/Bath scheme exemplifies one important element of change, there are others which the IEE has been urging on the Finniston Committee and on others in places of influence to improve the overall quality of the engineering profession and hence its appeal to our best young people.

In the field of education, such advanced degree courses, designed to stretch intellectually the most gifted school-leavers, will not suit the majority. For these, other degree courses should be designed to give a sound knowledge of current engineering practice in relatively narrow fields (for example telecommunications rather than broad electrical engineering) embodying the best features of the previous higher national courses.

In the professional field, qualification should be underpinned by the statutory registration of engineers who have met nationally accepted standards of education, training, and proven competence (cf, the Medical Register) and that certain engineering work of particular significance to the community should be reserved to registered engineers. The latter, apart from ensuring an acceptable basic standard of competence and accountability of engineers engaged on such work, would give the registering authority the strength (through the effect of its granting, withholding or withdrawing registration) to exert a decisive influence upon standards of professional qualification, performance and discipline.

G. P. Gainsborough.
Savoy Place, WC2.

A tall story

From Mr. V. Ellis.

Sir,—Some weeks ago your gardening correspondent, Robin Lane Fox, mentioned a tip he'd been given by a countryman for growing taller hollyhocks. This was to give them beer, glorious beer.

Just for fun I experimented with a quart bottle. To my gratification and surprise, not only are my hollyhocks taller, but the flowers are larger than they have ever been before. Incidentally, I find the best way to grow healthy hollyhocks is to start them from seed.

Vivian Ellis,
The Kennels,
Holnkote,
Nr. Minehead,
Somerset.

Too speedy a take off

From Mr. E. Parker

Sir,—It appears from a report in the local paper that emergency operating procedures have been revised in various United States airlines so as to provide for increasing speed after take-off in certain cases. The only way to increase speed after take-off with an engine already at full power is not to climb too steeply.

All operating procedures should be amended to avoid use of the steep full-power climb after take-off "for noise abatement purposes." For me, as an average pilot, this procedure was always undesirable and of doubtful value for abating noise. With the advent of quieter jets it is more than ever undesirable. Unfortunately noise abatement is a sacred cow of the airline industry but it really is time it was knocked off its pedestal in favour of safety. It should never be necessary for me to see absurdly sharp rotations and rocket-like climbs in an industry which should be ultra-conservative in its methods.

E. R. C. Parker.
c/o Villa Romani,
Calle Son Matet,
Cala Mayor, Palma, Mallorca.

Cathedral vergers

From Councillor G. Livings.

Sir—Three cheers for the head verger of Salisbury Cathedral (August 8). My late father was sexton for some 43 years at the parish church of the Holy Trinity, Abbots Leigh. With what care and devotion he tended the affairs of both the departed and the living Give me the devotion of those slightly aged, slightly stooped, slightly seedy and entirely care worn men in black gowns.

How would the business verger have killed the cock sparrow at Brant Broughton parish church? I know how my sexton would have intervened.

Graham Livings,
Mendip District Council,
Wookey Hole Road,
Wells, Somerset.

The size of commissions

From Mr. R. Harris

Sir,—Your correspondent Mr. Lidstone (August 14) rightly refers to a "shadow" in the matter of the highly paid salesman.

These companies who restrict earnings in this fashion are latter-day Bourbons. They might well reflect that in the middle 1920s a Mr. John Minet working for a Lloyd's broker, was refused commission payments because he would have earned more than his managing director.

He left and set up on his own. Fifty years on, J. H. Minet and Co. is 50 times larger than Minet's previous employers.

R. P. Harris.
85, Gracechurch Street, EC3.

Turbine orders

From Mr. D. Odling.

Sir,—The recent announcement about the split of orders between GEC and NEI for two advanced gas-cooled reactor power station orders makes extraordinary reading.

Consider the following which lists, going backwards in time, the orders placed for turbine generators at home, the customer, the supplier and the fuel:

Drax 'B'	CEGB	NEI	Coal
Littlebrook D'	CEGB	GEC	Oil
Peterhead	NSHEB	GEC	Oil
Grain	CEGB	GEC	Oil
Heysham	CEGB	GEC	AGR
Ince 'B'	CEGB	NEI	Oil

All are for high-speed (3,000 rpm) units and all except Ince B (500 MW) are for 660 MW units. The advantage of AGR stations is that the reactor can be linked to a turbine to all intents and purposes identical with that for coal or oil firing, which is not the case with PWR or BWR stations.

The orders for Drax B and Ince B were placed under severe political pressure to save NEI jobs in the north-east and these two stations incorporate six-flow exhaust turbines. Littlebrook D and Peterhead incorporate four-flow exhaust turbines from GEC, the design being a development from GEC's earlier six-flow exhaust turbine as supplied to Heysham and Grain (and Hartlepool and Hinkley Point B, both AGR stations, previous to that).

How come, therefore, the present silly nonsense? If CEGB chose GEC's four-flow design for Littlebrook, previously having had six-flow turbines from both suppliers, why the change back? How also can the attitude of overseas customers be explained—GEC has been far, far more successful in selling its four-flow design than NEI has in selling its six-flow turbine—particularly when one overseas customer has stated that in choosing the GEC four-flow design he was influenced by the commonality this would have with CEGB ordered turbines.

Since large sums of taxpayers' money are at stake, are we not entitled to a full and detailed answer from the generating Boards?

D. N. Odling.
21, Lennox Gardens, SW1.

Car excise licence

From Mr. T. Whittle

Sir,—If the £50 car excise tax is transferred to petrol to give the same net yield, this must mean that owners of cars below average petrol usage will pay less and those above pay more. The opposition of the Royal Automobile Club and the United Commercial Travellers' Association (August 10) infers a "penalty" because their cars are larger and/or their mileage above average.

Cars with above average petrol usage tend to be run for commercial profit (or prestige). Those below must include a majority of private motorists who need a car to get to work, rural dwellers, working mothers, retired people and weekend drivers.

It is unfair that the greater burden of tax should fall on the large numbers of occasional users of smaller cars — perhaps their only luxury. The equity of a "pay as you go" tax on petrol usage, determined by size of car and mileage, is beyond dispute. It would also be an incentive to conserve fuel. Commercial lorries using diesel are of course a different matter.

There is a strong case for abolition of the excise tax, with little or no increase on petrol. Tax on petrol is much cheaper to collect and evasion of the excise tax would be stopped. Extra petrol tax might be alleviated (and help to pay the cost of the computer) by retaining a registration fee on new cars and on a change of ownership.

Thomas E. Whittle.
19 Kildoon Drive,
Maybole, Ayrshire.

Today's Events

GENERAL

UK: Department of Employment publishes new index of real take-home pay, together with the monthly retail prices index.

Special meeting of National and Local Government Officers' Association's National Health committee, followed by the National Advisory committee, to discuss pay claims.

Overseas: Herr Helmut Schmidt, West German Chancellor, on one-day visit to Poland.

Final day of visit to Syria by Mr. Nicolae Ceausescu, President of Romania.

OFFICIAL STATISTICS

Preliminary estimate of gross domestic product based on output data (second quarter), published by the Central Statistical Office.

COMPANY RESULTS

Final dividends: Ewart New Northern, Pifco Holdings. *Interim dividends:* Alcan Aluminium (UK), Coral Leisure Group, Hallam Sleigh and Cheston.

COMPANY MEETINGS

Devonport Knitwear, Allan House, Newarke Street, Leicester, 11.30. May and Hassell Grand Hotel, Bristol, 12. National Carbonising, Great Eastern Hotel, Liverpool Street EC, 3.30. Sturla, Grosvenor House Hotel, Park Lane, W, 12.

LUNCHTIME MUSIC, London

Band concert, Tower Place, 12.15 pm.

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R. Dutch Shell midway profit at record £1.3bn

THE underlying trend in earnings of the **Royal Dutch/Shell** Group of Companies has improved in the first half of 1979. Net income in the second quarter was £710m to give a total of £1.33bn for the first six months compared with £394m all of which occurred in the second quarter last year.

The second quarter results have been very substantially affected by the FIFO method of inventory valuation and by currency translation gains, the directors report.

Currency translation gains in the second quarter were £57m (£102m) and £124m for the first half against currency losses of £191m last year.

The directors explain that the FIFO method is higher at a time of rising crude oil acquisition costs. In the second quarter net income was increased by some £280m and by some £400m in the half-year compared with following a LIFO method.

During the first half, the corresponding effects on net income were negative by about £60m. Eliminating the FIFO effect and currency translation gains, the increase in net income for the half-year is about 23 per cent.

Net income excludes a net reduction in deferred tax of around £120m and this will be taken up in the second half. Comparisons are restated reflecting adoption for 1978 of modified accounting policies relating to capitalisation of leases and exploration costs.

Sales proceeds, less sales taxes, excise duties and similar levies were £7.1bn (£6.04bn) in the second quarter giving £13.77bn against £11.8bn at halfway.

First half net income per 25p share and Fl 20 Royal Dutch share was 44.71p (13.27p) and Fl 25.97 (7.53) respectively.

	First half 1979 £m	1978 £m
Revenues		
Sales proceeds	16,131	14,181
Sales taxes, levies	3,243	2,956
Leaving	12,938	11,225
Other revenues	366	321
Share associates	318	140
Interest income	149	106
Making	13,771	11,792
Costs & expenses		
Purchases & operating	9,159	8,343
Selling, general admin.	1,058	1,369
Exploration	163	156
Research and dev.	92	86
Depreciation, etc.	414	362
Interest expense	169	172
Tax on income	1,287	822
To minorities	101	65
Making	12,443	11,398
Net income	1,328	394

In the second quarter market prices rose, enabling group companies to recover more rapidly the crude oil price increases imposed by oil producing countries.

In the current substantial increases in crude oil costs, this is essential if the group is to maintain its ability to replace inventories at the higher prices, the directors say. The approximate value of group oil inventories, currently at near minimum operational levels, amounts to £2.5bn.

Capital expenditure and investments in the first half continued at a high level of over £1bn and continues to be substantially directed towards additional energy projects. In addition, over £900m was invested in necessary increases in working capital.

Shell Oil Company of the U.S. reported 55 per cent higher dollar earnings for the second quarter, arising from higher crude oil and natural gas prices and increased sales volumes of chemicals products.

Shell Canada's dollar earnings also improved substantially, mainly due to higher sales volumes of crude oil, natural gas liquids and natural gas, as well as firmer margins and higher demand for oil and chemicals products.

Excluding Shell Oil Company and Shell Canada, sales volumes of oil products were lower by 2 per cent than in the second quarter 1978. However, oil supplies available to the group have not been sufficient to make the necessary replacement of the inventories that were drawn down in the first quarter of this year.

Sales volumes of natural gas as compared with the second quarter 1978 declined by 4 per cent, principally due to lower sales in the Netherlands and West Germany, the effect of which was offset by higher unit realisations.

Chemicals sales volumes were 7 per cent above the level of the second quarter 1978, and were maintained at much the same level as in the first quarter. This combined with significant price increases has resulted in improved chemicals earnings, in spite of sharply increased feedstock costs.

The overall improvement in the metals sector noted in the first quarter 1979 has been sustained, the Board states.

Long-term debt (including short-term part) was £3.22bn, and cash and short-term securities £2.84bn, as at June 30, 1979.

See Lex

HIGHLIGHTS

Royal Dutch Shell announced second-quarter net profits of £710m yesterday, showing a superficial rise of 80 per cent, but there is a very large stock profit and currency gain in the figures. The Government broker was supplying the new tap stock yesterday morning and Lex investigates the sharp downturn in bank lending revealed by figures published later in the day. Lex also looks at the half-time results from Royal Insurance, where a big swing to underwriting profits came through in the second quarter but for the full year as a whole profits are likely to be down. Elsewhere the good half-time figures from Ultramar are commented upon and Transport Development appears to have struggled through the transport strike without too much grief. Other comments are made on Bernard Wardle, N. Corah, Fertleman, Woodhouse and Rixson, and Charles Clifford.

Ultramar rises £5.7m halfway

RECORD half-year results are reported by **Ultramar Company**, the petroleum group. Taxable profits advanced from £18.14m to £23.6m on sales which jumped from £289.9m to £403.9m in the six months to June 30, 1979. And the group expects to continue to show good results in the second half.

In the first quarter of this year the pre-tax surplus rose from £9.6m to £12.2m on sales of £200.8m, against £134.3m. Mr. Campbell Nelson, the chairman, then forecast a record year.

In the whole of 1976 the taxable surplus was lifted 53 per cent to £37.79m, and the group then said that after a gap of many years it was reverting to the payment of cash dividends on *ordinary shares in 1979*.

As forecast the interim is 5p net per 25p share—the Board has predicted a final payment of the same amount. Stated basic earnings are up from 12.6p to 28.4p and fully-diluted from 12.2p to 26.1p.

After tax profit for the six months came to £13.88m compared with *£6.4m*.

Non-cash foreign exchange gains totalled £2.15m giving net attributable earnings of £15.33m. Cash flow from operations amounted to £22.79m — the highest in the group's history.

These results have been achieved even though most of the group's earnings are in U.S. and Canadian dollars. When converted to sterling, the results are affected by the weakness of the dollar, says the chairman.

He adds that producing operations in Indonesia, Western Canada and the North Sea were profitable, with Indonesian oil and gas production doing particularly well because of better realisations.

The demand for *LNG* is increasing as a result of the world energy shortage. From the Bonteng LNG plant in Indonesia it is expected that at least four cargoes will be sold during the second half above the 51 projected for the year. In the Badak and Nilam fields the four rig drilling programme continues successfully and there are more than adequate gas reserves to support expansion of the LNG plant by adding two trains and thereby doubling its capacity.

Construction of production facilities for the Maureen field in the North Sea is proceeding well and development drilling has begun.

Marketing operations in Eastern Canada were held back because of shortages of petroleum products. The Quebec and Newfoundland refineries had to be run below capacities because of dislocations in Middle East crude supply and inability to get an adequate volume of Western Canadian crude oil. However, even at full capacity, the company's refineries are unable to meet the total sales volume of the group's Eastern Canadian marketing complex. The group expected to buy a sizeable portion of its petroleum product needs, but the supply has been cut back.

In other marketing areas, the group did well with the exception of the UK where it suffered a loss. However, Mr. Campbell Nelson says they expect to do much better in the UK in the second half because of availability of North Sea crude oil which they are having processed into products to supply their market.

	Half-year 1979 £000	†Half-year 1978 £000
Sales	403,871	289,918
Trading profit	31,041	24,708
Amort., deprec., depletn. and amts. written off	7,242	6,568
Profit before tax	23,799	18,140
Tax	9,918	11,774
Profit after tax	13,881	6,366
Foreign exch. profit	2,149	‡1,957
Leaving	16,030	4,409
Cnv. red. prf. div.	455	524
ACT write off	245	258
Attrib. to ord.	15,330	3,627

† SSAP 15 adopted, comparison adjusted. ‡ Loss.

● comment

More impressive than the doubling of Ultramar's net profits before exchange fluctuations is the healthier shape of the earnings profile. Indonesia is contributing only around 40 per cent to profits, compared with 87 per cent for the whole of last year, largely because of better margins on the marketing side. This new balance is likely to prove short-lived. Indonesian cargoes were exceptionally low in the first half and, in the longer-term, the doubling of liquified natural gas capacity will restore Asia to a position of dominance in the revenue structure. The Canadian operation is unlikely to take off unless either Canada revises its subsidy *policy* or OPEC reverts to a unified price strategy, while the Quebec refinery has been running at only about half capacity (when it has been open at all) and the capital return is unsatisfactory. The group's small interests in the Maureen and Thistle fields will be useful in providing UK earnings to offset against ACT on dividends, introduced for the first time this year, but will not make much dent on the overall picture, so confidence in the shares must rest on an optimistic view of Indonesian oil and gas policy. Profits of £26m for the year, after tax and preference dividends, but ignoring non-cash exchange fluctuations, would put the shares—at 314p—on a prospective p/e of 5.3, where the yield is 4.7 per cent.

Westwood Dawes back in profit

Westwood Dawes and Co., structural and mechanical handling engineer, has recovered during the half year ended June 30, 1979, from a loss of £7,186 to a pre-tax profit of £65,183. The group's loss for the whole of last year was £23,000, compared with a £113,000 profit previously.

The directors state that the order intake for the past three months has been less satisfactory, and they say it is not possible to state that the full year's results will be commensurate with those of the first half.

The group is paying an interim dividend, for the first time, of 1p net per 25p share—last payment was 3.4416p for 1977.

After tax of £33,895, against a £3,736 credit, earnings are shown as 2.48p, compared with a 0.27p loss.

Gelfer ahead to £859,000

A. and J. Gelfer, manufacturer of ties, mens headwear and scarves, reports pre-tax profits for the year to March 31, 1979, ahead from £674,854 to £858,949, after an advance from £260,323 to £343,905 at halfway.

Turnover for the 12 months was higher at £4.7m against £3.54m. Tax absorbed £292,722 (£348,198) leaving the net balance at £566,227 (£326,656).

The final dividend is 2.1p net for a 3.5p (2.854p) total on earnings per 20p share of 9.06p (5.23p).

YORK TRAILER

York Trailer Holdings is lifting its interim dividend from 1.186p to 1.375p in respect of the year 1979. This was not made clear in yesterday's report.

Royal Insurance down to £57m in first half

ALTHOUGH Royal Insurance returned to underwriting profitability in the second quarter, recording a profit of £8.8m, it was nowhere sufficient enough to offset the massive losses incurred in the first quarter from the severe weather on both sides of the Atlantic.

Thus over the first half of 1979, the group had an underwriting loss of £11.1m compared with a profit of £9.4m for the same period last year.

Although investment income over the period advanced by over 6 per cent from £58.8m to £62.6m, pre-tax profits were 20 per cent down at the half year from £71.6m to £57m. Net profits were £33.4m compared with £42.4m in 1978.

Premium income, expressed in sterling terms fell over the period from £651.3m to £647.2m. But the underlying real growth in premium income was 7.3 per cent, in line with the group's expectations.

A break-even in underwriting was achieved in the second quarter in the U.S., the group's largest operating territory, leaving a net loss of £7.8m at the half-yearly stage compared with a profit of £900,000 in 1978. The greater part of the loss arose from automobile insurance.

Better results than in 1978 came from workers' compensation and general liability, while the property account improved largely from the commercial multi-peril line being restored to profitability. The operating ratio for the half year was 101.9 per cent, against 98.2 per cent for 1978.

An underwriting profit of £5.1m was recorded in UK business for the second quarter, despite a further loss on household business. This went a long way to offsetting the first quarter losses reducing them to £1.1m at the half-year stage.

The motor account showed a modest profit in the second quarter following an increase of 10 per cent in premium rates from April 1. But overall this account is still showing a loss this year and a further rise in premium rates of 11 per cent is taking place on October 1, 1979.

In Canada, an underwriting loss of £4.5m was recorded in the first six months, a complete turnround from 1978 when a profit of £8.2m was achieved over the corresponding period. This loss was only slightly higher than at the end of the first quarter despite the severe impact of a windstorm in Southern Ontario.

Market conditions remained very difficult in Australia with a further loss in the second quarter resulting in a loss after six months of £1.7m.

Business in the Netherlands made a return to profitability of £1.4m, but losses elsewhere meant that overall underwriting profit in Europe was trimmed.

The underlying growth in investment income, adjusting for changes in exchange rates was 13.6 per cent. The continued buoyancy in investment income reflects the persistent high level of interest rates and the growth in the group's funds. The solvency margin at the end of June was around 50 per cent.

The interim dividend has been raised by 13.45 per cent from 7.27p net to 8.25p.

See Lex

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Charles Clifford	int.	3	Oct. 5	nil	—	nil
Corah	int.	1.25	Oct. 9	0.9	—	2.07
Dale Electric		2.73	—	0.94	4.13	§3.57
E. Fertleman		nil	—	nil	—	0.4
First Scot. American	int.	1.2	Oct. 1	1	—	3.15
A. & J. Gelfer		2.1	Oct. 6	1.66	3.5	2.85
Intnl. Investment	int.	1.47	Oct. 5	1.31	—	2.94
Kraft Productions	int.	nil	—	0.34	—	0.87
Malaysia Rubber		2.5	Oct. 5	1.75	3.25	2.25
Manor National	int.	1	Sept. 28	1	—	0.87
McLeod Russel	int.	13.5	Oct. 19	13.5	13.5	13.5
Louis Newmark		6	Oct. 17	4.22	9	6.72
Norvic Sec.	int.	0.4	Oct. 6	nil	—	0.8
Royal Insurance	int.	8.25	Jan. 2	7.27	—	18.77
SEET		1.68	Oct. 6	1.17	2.42	1.83
Sermah Valley Tea		§5.5	—	3.5	—	6.6
Transport Dev.	int.	1.45	Nov. 6	1.25	—	3.6
Ultramar	int.	5	Nov. 9	nil	—	nil
B. Wardle	int.	0.66	Oct. 12	0.55	—	1.42
Westwood Dawes	int.	1	Sept. 21	—	—	nil
Woodhouse & Rixson	int.	1.21	Oct. 1	1.16	—	2.32
A. J. Worthington‡		0.55	Oct. 4	0.48	0.59	0.79

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Corrected. § For 16 months. ¶ Above 2.25p forecast. ‖ Subject to receipts from Bangladesh.

£525,210 loss at Fertleman

A FURTHER loss in the second half has left **B. Fertleman and Sons**, furniture maker, with taxable losses of £525,210 for the year ended March 31, 1979, against £121,612 last time. Turnover fell from £3.61m to £3.05m.

There is no dividend — last year's payment was a 0.396p interim.

At halfway the directors reported a £145,128 loss compared with a £21,163 profit.

● comment

It may be invidious to compare Fertleman's performance with statistics for the furniture industry, because the sector is so fragmented, but the fact that sales value dropped some 15 per cent when industry volume was rising says much for the way Fertleman was being managed. The losses have almost wiped out half of shareholders' funds and the company is obviously relying heavily on the bank. However, there have been significant management changes both at Board and factory level and the "take of breakeven by the second quarter certainly represents a rapid turnround from the £380,000 loss of the previous six months. But tighter management is only part of the story. There are basically two sides to the business—reproduction furniture, which is reasonably sound and made a small profit last year and the modern furniture side, where the product range had been neglected and problems were mounting. The product range has been improved and is evidently selling reasonably well now. At 17p Fertleman could prove worthwhile if the management gets it right, but investors will no doubt be cautious.

DALE ELECTRIC

Dale Electric International recommends a final dividend of 2.725p per share, and not 4.125p as given in yesterday's report. This raises the total for the year ended April 30, 1979 to 4.125p, compared with 3.665p for the previous 16 months.

THE FIRST SCOTTISH AMERICAN TRUST COMPANY LIMITED

INTERIM STATEMENT (Unaudited)

For the six months to 31st July	1979 £		1978 £	
Gross Revenue		1,144,906		1,030,365
Deduct:				
Interest	297,413		267,820	
Expenses	43,245		39,218	
Taxation	270,150	600,808	255,761	562,799
		544,098		467,566

An interim dividend of 1.2p on the Ordinary Shares (1978—1.0p) has been declared payable on 1st October, 1979, absorbing, together with the half-year's Preference dividend paid on 1st August, 1979, a total of £363,302 (£304,744).

	Valuation of Net Assets, including dollar premium	Net Asset Value per Ordinary 25p Share (fully diluted)
August 1 1979	£40,886,658	117.1p (116.4p)
February 1 1979	£46,690,636	132.1p (130.1p)
August 1 1978	£47,884,458	135.8p (133.5p)

Belsize House, West Ferry, Dundee.
Joint Managers A. K. Aitkenhead, W. D. Marr.

Bernard Wardle and Company Limited

Highlights from the 1979 Interim Report:-

- * Turnover after 26 weeks £15,618,000 (1978 after 28 weeks £13,753,000)
- * Profit before taxation and exchange gain £575,000 (1978 after 28 weeks £561,000)
- * Dividend–interim 1979 20% increase to 0.66p per Ordinary Share (1978, 0.55p)
- * "The encouraging level of profitability achieved towards the end of the first half year has continued through into the third quarter." Chairman's Statement

The Bernard Wardle Group–manufacturers of PVC sheet and film; vinyl coated fabrics and felts; PVC and polyethylene foams; noise control products; H.F. welders, moulders and mould makers.
Copies of the 1979 Interim Report can be obtained from The Secretary, Bernard Wardle and Company Limited, Wardle House, Knutsford, Cheshire, WA16 6HL.

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CORAH

Results of Corah Limited for the half year to 29th June, 1979 (Unaudited)

	1979 Half Year £	1978 Half Year £	1978 Year £
Sales	**19,677,000**	17,845,000	36,635,000
Profit before Taxation	**1,851,000**	1,709,000	3,530,000
Provision for Corporation Tax	**650,000**	410,000	835,000
Profit after Taxation	**1,201,000**	1,299,000	2,695,000
Interim Dividend Pence per Share Net	**1.25p**	0.90p	2.07p

Highlights from Interim Results:

- * **Sales increased by 10%.**
- * **Profit before tax increased by 8%.**
- * **Direct export sales increased by 24%.**
- * **Interim Dividend increased by 39% from 0.9p to 1.25p per share net.**

Corah Limited, Burleys Way, Leicester

CHARLES CLIFFORD INDUSTRIES LIMITED

INTERIM REPORT

The Directors announce unaudited group results for the six months ended 30th June, 1979 as follows:–

	6 months to 30 June 79 £'000	6 months to 30 June 78 £'000	Year 1978 £'000
Sales	6,387	5,095	9,707
Trading profit/(loss)	215	53	(171)
Exceptional and extraordinary items (Note 1)	12	(335)	(460)
Taxation (Note 2)	—	—	65
Profit/(loss) attributable to shareholders	227	(282)	(566)
Earnings per £1 ordinary share after exceptional and before extraordinary items (Note 3)	17.0p	(13.7p)	(44.3p)
Ordinary dividend (net)	3.0p	nil	nil

Note 1. £12,000 is in respect of provisions made at 31st December 1978 no longer required.
2. It is anticipated that no tax will be payable on profits earned in 1979 in view of losses brought forward.
3. Earnings per share for 1978 have been adjusted for the Rights Issue in 1978.

As indicated in the Chairman's statement of 11th May, 1979, arrangements are well advanced for the satisfactory disposal of the two loss-making branches, and the two-year reorganisation plan at Birmingham is continuing according to schedule.

The recovery in profits is at a faster rate than anticipated and the directors have declared an interim dividend of 3p net per ordinary share (4.2857p including the tax credit) payable on 5th October, 1979 to shareholders on the register on 14th September, 1979.

16th August, 1979 — *By order of the Board,* D. MACKERELL, *Secretary.*
96/98 Marsham Street, London SW1P 4LY.

RECORD PROFITS FROM HOME IMPROVEMENT GROWTH DESPITE HOUSING SLOWDOWN.

Salient figures	Year to 31.3.79 £000s	Year to 31.3.78 £000s
Sales	£118,129	£105,630
Profit before taxation	£19,705	£14,216
Profit after taxation	£11,102	£9,002
Earnings per 25p ordinary share	23.5p	19.0p
Dividend per 25p share (net)	8.605555p	5.9545p

"Chairman, Mr. S. Oxford, comments:
Our results this year confirm the underlying strength of our Group. They have been achieved against a background of reduced activity on the housebuilding scene – an atrocious winter, and the serious transport strike at the beginning of this calendar year.
We are again proposing a capitalisation issue to Ordinary Shareholders as we did last year of one new share for every two.
The outlook for the current year is excellent.
Sales to the home improvement and DIY markets continue to increase and now account for more than 50% of the Group's turnover.
We are continuing our policy of establishing new depots and we hope to open a further eight this year.
We intend to build a new factory at Penrith for manufacture of flush doors using most modern technology.
Current performance indicates that profits for the first half year will be in excess of the comparable period last year."

Magnet Southerns
FOR ALL THAT'S GOOD IN WOOD

هكذا من الأصل

Corah ahead to £1.85m and lifts interim 39%

TAXABLE profits of Corah, the knitted clothing and fabrics manufacturer whose largest customer is Marks and Spencer, rose from £1.71m to £1.85m in the half-year to June 29, 1979.

Sales rose from £17.84m to £19.68m.

The net interim dividend per 25p share is lifted from 0.9p net to 1.25p. The directors say that if the present trend in sales and profit is sustained, they anticipate that progress will be reflected in a further increase in the final dividend.

Last year the group paid a total of 2.07p on taxable profits of £3.53m (£3.31m).

But the Board points out that it is difficult to forecast second-half trading. The industry is still being affected by low-priced imports which are gaining in their competitive position because of the pound's strength.

The directors add that the group was hit by the lorry drivers' strike and the bad winter weather. During February the weather prevented many employees from reaching work, which resulted in the loss of more than £1m in production and sales.

To meet part of growing demand the company bought a further factory in Misterton, Nottinghamshire, which began operations in June. The factory in Ontario, Canada, made a modest contribution to trading profit which was more than offset by the weakening of the Canadian dollar.

Direct exports were 24 per cent up on the same period last year.

● comment

Considering the January and February setbacks, which were outside its control, Corah's 8 per cent profits rise is encouraging. Certainty, the first half figures are no worse than Nottingham Manufacturing's results after stripping out investment income. While textile imports remain a serious problem, Corah—like NM to a lesser extent—has the advantage of being a major supplier to Marks and Spencer. Also, the determined assault on export markets is beginning to pay off, although unfavourable currency movements have slowed the growth trend. The extra capacity now available at Immingham and Misterton will be invaluable if demand continues to expand, although the company's view of the future, while optimistic, contains an element of caution. Nevertheless, up to £4m pre-tax should be possible for the year—a 13 per cent increase. In common with others in the textile sector the share price is supported by the yield. In Corah's case, the prospective fully-taxed p/e is 5.8 at 39p while the yield is 11.4 per cent on a 3p payout.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Alcan Aluminium (UK), Bridgewater Estates, Coral Leisure, Hellam, Sleigh and Cheston, Lazard Brothers, Sterling Reserve Fund.

Finals—Ewart New Northern, Gold Fields of South Africa, Pifco.

FUTURE DATES

Interims—	
Boosey & Hawkes International	Sept. 18
Dutton-Forshaw	Sept. 13
Molins	Sept. 18
Prudential	Sept. 13
Sun Alliance & London Insur.	Sept. 5
Finals—	
Christy Brothers	Aug. 24
Harrods	Aug. 21
Kennedy Smale	Aug. 23
Stewart Nairn Group	Aug. 23

Reed Stenhouse

Pre-tax earnings of Reed Stenhouse Companies fell from £11.23m to £9.64m in the nine months to June 30, 1979. Stenhouse Holdings has a 53.78 per cent interest in the Canadian insurance broking group.

Tax takes £4.71m (£5.55m).

There is a payment of 12 cents declared.

Manor National headway

FOR THE first half of 1979 pre-tax profits of Manor National Group Motors show a £102,000 advance at £723,000 on higher turnover of £24.4m compared with £21.45m.

The directors report that although reorganisation of Oliver Rix and Manchester Garages is still taking place in all areas, the integration should be complete by the year-end. They are not expecting an easy final six months but are confident that, with the continued improvement in organisation, the company can take advantage of every opportunity and show a satisfactory result for 1979.

In the long term they expect the motor trade to remain buoyant and the group to prosper.

Tax for the half year took £86,000 and there was an extraordinary credit of £142,000. Earnings per 20p share are 4.2p, and the net interim dividend is 1p. Last year a single payment of 0.67p was made from profits of £1.07m, which included a contribution from Manchester Garages for 12 months and Oliver Rix for 15 months together with that of the parent company from the date of incorporation. For the current year the directors are forecasting a final dividend of above 1.25p.

TDG recovers from poor start

PRE-TAX profits of Transport Development Group were down from £9.8m to £9.56m for the first half of 1979 on turnover up from £107.4m to £116.3m.

The directors say that such was the damaging effect of the road haulage strike in January that until the end of February, overall results showed a loss. In the remaining four months the profits earned, they say, were equal to the whole of the first six months of 1978.

Profits for the whole of 1978 were a record £19.8m but in light of the early year events the directors said it would be quite unrealistic to expect profits at the halfway stage to measure up to those of the previous year.

They now report that the second half of the year has opened well but it is too early to say whether the pace of recent months will continue to the year end. They add, however, that the good recovery from a difficult start should be maintained.

After tax of £4.67m (£4.92m) stated earnings are 3.5p (3.48p) per 25p share and the interim dividend is raised from 1.25p to 1.45p net—last year's final payment was 2.35143p.

	First half 1979 £000	1978 £000
Turnover	116,267	107,44[illegible]
Depreciation	6,220	5,239
Interest	1,500	1,193
Operating profit	10,130	10,35[illegible]
Road haulage	4,783	4,8[illegible]
Storage	3,963	4,047
Plant hire, transport	740	787
Reinstatement & exhibitions	654	601
Building deprec.	589	554
Pre-tax profit	9,561	9,79[illegible]
Tax	4,673	4,919
Net profit	4,888	4,879
Attributable	4,662	4,629
Ord. divs.	1,927	1,66[illegible]
Retained	2,735	2,96[illegible]

The tax charge includes deferred tax on the full liability basis. Had it been calculated on SSAP 15 basis earnings per share would have been 4.78p (4.71p).

Extraordinary items, not included in the figures, which principally relate to translation of overseas net tangible assets into sterling, amount to a £1.14m debit against a £272,000 credit last time.

● comment

The interim figures from Transport Development Group show a very slight decline of 2.4 per cent in pre-tax profits on an 8.2 per cent rise in turnover. This is a sound performance for a company which could have been much more seriously damaged by the road haulage troubles of the winter. In fact, the group was making a loss through to the end of February but managed to recover significantly in the remaining four months of the first half. However the second half could reflect the strength of sterling, especially in terms of haulage on continental Europe, and this could be deleterious to year-end figures. The group's interests in Australia have also been languishing, largely as a result of the sagging economy there. But the dividend has been put up by 16 per cent and if the second half is characterised by more recovery then 1979 pre-tax earnings could inch past last year's results. The group could then yield about 9 per cent on a share price of 70p, up 4p yesterday.

Malaysia Rubber

Profits of Malaysia Rubber Company increased from £136,846 to £168,662 for the year ended March 31, 1979, subject to tax of £70,178 against £74,607 previously.

Earnings per 10p share are shown as 5.47p (3.46p) and the dividend for the period is stepped up to 3.25p (2.25p) net

The Second Great Northern Investment Trust Limited

Higher Dividend and Scrip Issue

Annual Results for the year ended 31 May, 1979

	1979	1978
Equity shareholders' interest	£21,635,298	£21,773,870
Asset value per share	116.1p	116.9p
Revenue available for ordinary shareholders	£423,291	£371,108
Earnings per ordinary share	2.31p	2.03p
Ordinary dividends per share	2.25p	2.00p
Capitalisation issue in B ordinary shares	2.02542%	1.79741%

Distribution of equity investment at 31 May, 1979

	1979	1978		1979	1978
UK	42.14%	31.44%	Europe	4.26%	3.29%
USA	36.23%	44.27%	Brazil	1.65%	1.50%
Japan & Asia	12.59%	17.03%	Others	3.13%	2.47%

Dividend and Capitalisation issue

Your Board recommends a final dividend of 1.45p making 2.25p for the year as compared with 2.0p for the previous year.

The Board also recommends a capitalisation issue of one for two to Ordinary and B. Ordinary shareholders.

It is expected that the amount available for dividend in respect of the current year will again increase. The Board is therefore recommending an interim dividend on the Ordinary share capital as increased by the capitalisation issue of 0.60p (as compared with the equivalent of 0.533p for 1979).

Change of Name

It is proposed to change the name of the company to Murray Northern Investment Trust Limited in line with the policy to identify individual companies more closely with their management group.

Copies of the report may be obtained from the Secretary, The Second Great Northern Investment Trust Limited, 163 Hope Street, Glasgow G2 2UH.

An Investment Trust managed by Murray Johnstone Limited.

Murray Johnstone

Ultramar Company Limited

Record profits continue.

Review of Group financial results and operations

Our financial results for the first half of 1979 were excellent and a record for the Group. Operating profit before taxation amounted to £23,799,000 compared with £18,140,000 for the first half of 1978. After deducting current and deferred taxation, the operating profit for the six month period came to £13,881,000 compared with £6,366,000 for the first half of last year. Non-cash foreign exchange gains for the first six months of 1979 totalled £2,149,000 giving us net earnings attributable to Ordinary Shareholders of £15,330,000. Cash flow from operations in the first half amounted to £22,792,000 which is the highest in Ultramar's history. These results have been achieved even though most of the Group's earnings are in U.S. and Canadian dollars and, when converted to sterling, the results are adversely affected because of the weakness of the dollars.

Our producing operations in Indonesia, Western Canada and the North Sea were profitable with Indonesian oil and gas production showing up particularly well as a result of better realizations. The demand for LNG is increasing as a result of the world energy shortage. From the Bontang LNG Plant in Indonesia it is expected that at least four cargoes will be sold during the second half of 1979 above the 51 cargoes projected for the year. In the Badak and Nilam fields the four rig drilling programme continues to be very successful and there are now more than adequate gas reserves to support the expansion of the LNG Plant by adding two trains and thereby doubling its capacity. Construction of the production facilities for the Maureen field in the U.K. North Sea is proceeding well and development drilling has commenced. We are continuing to explore for new oil and gas reserves in various parts of the world.

Our refining and marketing operations in California and Eastern Canada were profitable. California had excellent results for the half year but Canada still does not give an adequate return on our investment. Marketing operations in Eastern Canada were held back because of shortages of petroleum products. We had to run our Quebec and Newfoundland refineries below capacities because of dislocations in Middle East crude supply and inability to get an adequate volume of Western Canadian crude oil. However, even at full capacity, our refineries are unable to meet the total sales volume of our Eastern Canadian marketing complex. As in past years, we expected to buy a sizeable portion of our needs of petroleum products, but the supply has now been cut back. In other marketing areas, we did well with the exception of the U.K. where we had a loss. However, we expect to do much better in the U.K. for the second half because of availability to us of crude oil from the North Sea which we are having processed into products to supply our market.

We expect the Group to continue to show good financial results in the second half of 1979.

The Board has declared an interim dividend of 5p per share on the Ordinary Shares which, with the addition of the tax credit, is equivalent to 7.1429p per share. The dividend will be paid on 9th November 1979 to shareholders on the register on 9th October 1979.

Campbell Nelson
16th August 1979 Chairman.

Group Results for the Six Months to 30th June 1979

Consolidated Profit and Loss Account		First six months 1979		First six months 1978 (Note 5)		Year 1978 (Note 5)
		£000		£000		£000
Sales		£403,871		£289,918		£595,133
Profit on trading		31,041		24,708		50,237
Amortisation, depreciation, depletion and amounts written off		7,242		6,568		12,451
Operating profit before taxation		23,799		18,140		37,786
Taxation on operating profit						
Current	5,091		6,749		13,226	
Deferred	4,827		5,025		9,513	
		9,918		11,774		22,739
Operating profit after taxation		13,881		6,366		15,047
Foreign exchange fluctuations – Profit/(Loss) (Note 2)		2,149		(1,957)		(5,469)
Profit after taxation and foreign exchange fluctuations		16,030		4,409		9,578
Deduct: Convertible Redeemable Preferred Shares dividend	455		524		1,050	
Advance Corporation Tax written off	245		258		808	
		700		782		1,858
Earnings attributable to Ordinary Shareholders		£ 15,330		£ 3,627		£ 7,720
Cash flow from operations		£ 22,792		£ 14,974		£ 31,632
Earnings per Ordinary Share (before foreign exchange fluctuations)						
Basic		28.4p		12.6p		29.6p
Fully diluted		26.1p		12.2p		28.7p

Consolidated Statement of Source and Application of Funds	First six months 1979 £000	First six months 1978 £000
Source of funds		
From operations:		
Operating profit after taxation	13,881	8,366
Amortisation, depreciation, depletion and amounts written off	7,242	6,568
Deferred taxation on trading profits	4,827	5,025
Indonesian debt service equalisation (Note 4)	(3,289)	(3,494)
Loss on sale of fixed assets	131	509
Cash flow from operations	22,792	14,974
From other sources:		
Shares issued during the period	964	58
Long term loans raised	87	24,301
Proceeds on disposal of fixed assets	1,059	1,697
Exchange adjustments due to currency realignments	248	(525)
Miscellaneous items	34	358
	£25,184	£40,863
Application of funds		
Acquisition of subsidiary companies	3,637	—
Additions to fixed assets	18,432	8,812
Capital expenditures	20,069	8,812
Portion of long term debt now due in one year	8,018	2,297
Convertible Redeemable Preferred Shares dividend including Advance Corporation Tax £200,000 (1978 £258,000)	655	782
(Decrease)/Increase in working capital	(1,558)	28,972
	£25,184	£40,883
Working capital at 30th June 1979	£21,711	£38,282
Long-term loans at 30th June 1979	£76,406	£79,060

Notes to Group Results

1 Group operating profits are largely in U.S. and Canadian dollars.

2 The gain on foreign exchange fluctuations of £2,149,000 during the six months to 30th June 1979 relates almost entirely to long term loans of individual companies repayable over the years to 1993, and is due to the rise in values of the Canadian dollar and the pound sterling against the U.S. dollar and the U.S. dollar against the Swiss Franc since the beginning of the year.

3 Translation and conversion exchange rates used by the Group are:

	30th June 1979	30th June 1978	31st December 1978
£1 equals U.S. $	2.18	1.86	2.04
£1 equals Can. $	2.54	2.09	2.42
U.S. $1 equals Can. $	1.17	1.12	1.19
U.S. $1 equals Sw. Fr.	1.66	1.85	1.63

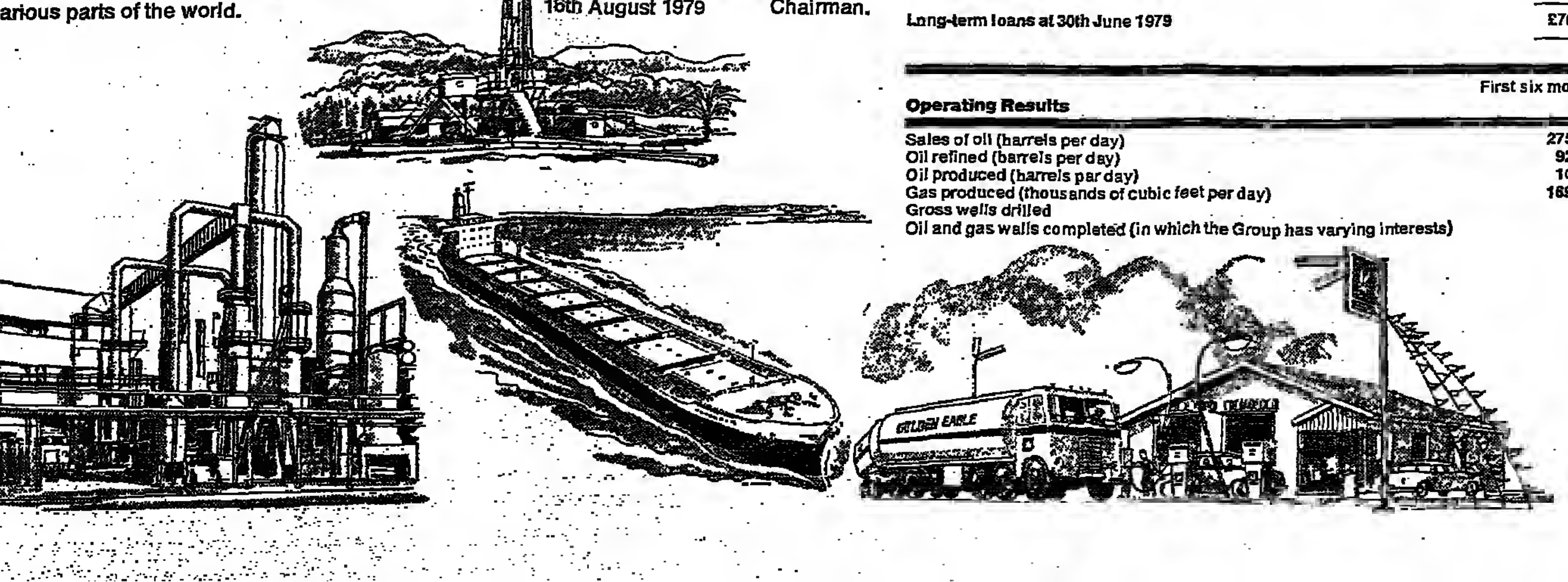
4 The Group's entitlement to income from Indonesian LNG sales is included in the Profit and Loss Account after deducting transportation, liquefaction costs, and debt service on the loans raised by Pertamina to finance the whole of the construction cost of the Badak LNG Plant, which is operated on a break-even basis. In order to match income with these deductions, the Group's entitlement is adjusted to reflect an equal annual charge for debt service, rather than the uneven repayment schedule established for the loans, all of which are repayable within a 12-year period starting in 1977. Effectively, therefore, the cost of the plant will be fully amortised by the end of 1989.

5 The Statement of Standard Accounting Practice 15 (SSAP 15) relating to accounting for deferred taxation came into effect for accounting periods commencing on or after 1st January 1979 and has been adopted in the preparation of the results for the first six months. The comparative figures for the first six months of 1978 and the year 1978 have been restated on the new basis by the elimination of deferred tax credits of £1,702,000 and £1,164,000 respectively. Under the previous standard (SSAP 11) there would have been an additional deferred tax charge of £1,090,000 in the first six months of 1979.

Operating Results	First six months 1979	First six months 1978
Sales of oil (barrels per day)	275,000	201,800
Oil refined (barrels per day)	92,500	95,400
Oil produced (barrels per day)	10,100	9,500
Gas produced (thousands of cubic feet per day)	169,700	191,700
Gross wells drilled	17	17
Oil and gas wells completed (in which the Group has varying interests)	14	9

Note

Sales of oil for the first six months of 1979 include Canadian Fuel Marketers Ltd. product sales of 88,100 barrels per day.



Ultramar

Ultramar

2 Broad Street Place, London EC2M 7EP

CSR

Strong profit growth to a record US$68 million.

Items from CSR Limited's Annual Report for the year ended 31 March, 1979.
The CSR group consolidated profit after tax, and before extra-ordinary items, was US$68 million, 37% more than last year. The return on shareholders' funds rose from 9.2% to 11.4% firmly reversing the trend over the previous three years. Directors have announced a one-for-four rights issue to shareholders. The new shares are being issued at par (A$1) providing a strong bonus element to shareholders.

	1979 US$ Million	79 on 78 % change
Gross revenue	1906.0	+ 6.4
Group revenue	1104.2	+ 5.5
Profit before tax	110.3	+31.4
Profit after tax	68.0	+36.8
Issued capital	142.5	+ 0.04
CSR Shareholders' funds	595.6	+ 9.8
Total assets	1430.0	+ 7.2
Return on Shareholders' funds (%)	11.4	

Sugar
CSR's sugar division profit for the year was US$23.4 million. This was US$7.6 million more than last year, a rise of 48%. The improved profit performance was due mainly to better results from sugar milling and substantially higher earnings from our pastoral properties and rural agencies.

Building and construction materials
CSR's building and construction materials division contributed US$13.6 million, marginally ahead of the previous year. The results reflected improved efficiencies, restructuring and rationalisation of certain activities and some bright spots in a generally subdued Australian market for building materials.

Minerals and chemicals
CSR's minerals and chemicals division profit for the year was US$30.9 million. This was US$10.8 million higher than last year, a rise of 53%. Except for bauxite and natural gas, sales volumes of the main commodities (including iron ore, coal, oil, copper, tin and alumina) increased.

Growth
During the year US$11.5 million was spent on research and development and mineral exploration, relating to both our present operations and possible new ventures.
The group's second fibreglass factory has been commissioned.
Farley & Lewers Ltd, a major concrete and quarrying company became a 51.5% subsidiary of CSR.
The Hail Creek coking coal project owners are progressing joint venture arrangements and engineering studies with a view of placing firm marketing proposals before potential customers.
AAR Ltd (65% CSR) continues to study the development of its other resources of Bowen Basin (Queensland) coal.
Through CSR's 51% subsidiary, Gove Alumina Ltd, Nabalco Aluminium Pty Ltd (60% Gove Alumina Ltd and 40% Swiss Aluminium Australia) is studying the feasibility of establishing a 150 000 tpa aluminium smelter in Australia.
Rising oil prices are encouraging us to study the refining qualities of petroleum from our oil shale resource at Julia Creek in north Queensland.
The New Zealand Government has approved agreement between CSR and H Baigent & Sons Ltd for a feasibility study to construct a thermo-mechanical pulp mill based on the development of a pine forest resource in New Zealand.
CSR opened a representative office in Tokyo last year.

CSR 1 O'Connell Street Sydney Australia

Exchange rate: 26 July 1979 A$1=US$1.135 CSR/398

SEET growth halts as second half profits fall

AFTER THREE years of rapid growth, in which pre-tax profits surged from £175,180 to £1.29m, Scottish English and European Textiles reports only a marginal advance to £1.3m for the 12 months to April 30, 1979. Second half profits fell from £728,000 to £689,000.

At the interim stage, when a advance of £56,000 to £617,000 was announced, the directors said that accounts showed satisfactory trading for the group.

Yearly earnings per 20p share, prior to extraordinary items, increased from 17.42p to 17.54p and the final dividend is 1.68p net for a 2.417p (1.832p) total covered seven times.

Goodwill arising on consolidation is now written-off as an extraordinary item in the year it arises. This represents a change from the previous policy of carrying such amounts forward in the balance sheet, and comparative figures have been adjusted.

Net group borrowings at April 30 were reduced from £794,242 to £477,588, while net tangible assets improved from £2.95m (73.45p per share) to £3.54m (88.15p).

The company is Scotland's largest producer of Harris Tweed, tartans and 100 per cent mohair products.

● comment

SEET's one-tenth profits rise in the first half has been almost wiped out by increasingly difficult trading conditions in the second half, particularly in the UK (40 per cent of sales). The reason is that the company is a hostage to fashion trends and over the past year tartan, flannel and mohair, which account for roughly 50 per cent of all sales, have not been the public's favoured fabrics. Harris Tweed, on the other hand, continues to make further gains, thanks to strong demand from countries in the Far East and Europe and exports rose by 15 per cent to around £6.2m. The company will clearly have to depend heavily on export markets for future growth but any further increase in the value of the pound might be a restraining factor. The shares eased 5p yesterday to 72p where the p/e is 4 and the yield—at 4.9 per cent—about half the average for the textile sector.

Advance at Charles Clifford

AFTER making a trading loss of £224,000 in the second-half of last year Charles Clifford Industries was back in profit for the first six months of 1979.

In the first half to June 30, 1979, the group, the chairman of which is Mr. Oliver Jessel, made a trading profit of £215,000, against £83,000, on sales ahead from £5.1m to £6.4m. In the whole of 1978 the company made a trading loss of £171,000.

The directors say that the recovery is faster than anticipated and they are paying a net interim dividend of 3p per £1 share. At the time of last year's rights issue the Board forecast a total payment of 7½p for the current year. The last payment was one of 2p for 1978.

Stated earnings per share before extraordinary and after exceptional items are 17p, against an adjusted 13.7p loss.

There is a sundry credit of £12,000 this time on provisions made at the year-end which are no longer needed. Last time there was a £335,000 debit.

With no tax charges the profit attributable to ordinary shareholders comes through at £227,000, compared with a £282,000 loss.

The Board says arrangements are well advanced for the satisfactory disposal of two loss-making branches, and the two-year reorganisation plan at Birmingham is going according to schedule.

● comment

Charles Clifford was in rather bad shape just a year ago, but its interim results show a remarkable recovery. Stripping out last year's extraordinary item of £335,000 for a failed Saudi Arabian venture, pre-tax earnings have rocketed over 300 per cent against the comparable period in 1978, albeit from a very low base. Turnover has increased by a quarter, but this alone cannot explain the group's performance. The group embarked upon a strict programme of rationalisation and reorganisation last year, and is now finalising the disposal of two loss-making factories in the North. The recent copper price rise has contributed to higher profits, as have lower operating costs. The strength of sterling should not matter much to the group since exports account for only 10 per cent of sales. The interim dividend has been set at 3p, and the share price rose by 10p to 128p where the market capitalisation stands at about £1.7m. Shareholders should monitor carefully the impact of the current weekly Monday engineering strike, which is cutting into profits. If the strike doesn't stretch beyond a 4-5 week period then the group should be able to carry on with its recovery, but much longer and the year-end figures will probably reflect the disruption.

Dares makes £450,000 cash call

A FORECAST of record profits and a rights issue to raise about £450,000 is announced by Dares Estates, the building development group.

The rights issue, being underwritten by Halliday Simpson and Co., is on the basis of one-for-four at 21p each, compared with an overnight price of 26½p. The shares eased 1p yesterday.

In first half to end June 1979, turnover rose from £1.67m to £2.39m. Profit jumped from £103,531 to £267,940 including an extraordinary credit of £103,480 (£32,531). The directors anticipate no tax liability for the period.

Before the extraordinary credit, earnings per share are shown up from 0.63p to 1.53p. The interim dividend is 0.46p net (0.25p).

For the full year the directors are forecasting taxable profits of not less than £565,000 and which they intend to recommend a final of 1.13p, making a total of 1.13p (0.75p).

They say the group is well placed to take advantage of any improvement in market conditions.

The proceeds of the rights will be used to expand housebuilding operations, enlarge and improve the investment portfolio and maintain gearing, add the directors.

They also do not intend to take up their rights "to improve marketability of the stock." Following the increase in issued capital, the holding of directors and family trusts will be reduced from 52.8 per cent to 42.65 per cent.

Dealings in the new shares are expected to begin on August 20.

B. Wardle profit picks up and trend continuing

DESPITE a poor first quarter Bernard Wardle and Co. picked up in the remaining period and for the 26 weeks ended June 3, 1979, taxable profits were £575,000 against £561,000 for the first 28 weeks of 1978. Turnover expanded from £13.75m to £15.62m.

And Mr. D. A. Boothman, chairman, says that the level of profitability achieved towards the end of the first half has continued through into the third quarter.

Profit for the 53 weeks ended December 3, 1978, was £1.52m.

The group's major subsidiaries operated well within their capacities, Mr. Boothman states, and continued improvements in internal efficiencies contributed significantly to results.

He adds that the Dutch subsidiary, Schotte BV, remains the main problem, losses in the first half being £86,000. The directors have not, as yet, found a satisfactory solution, he says.

The net interim dividend is increased to 0.66p (0.55p) per 10p share—last year's final was 0.66817p.

	26 weeks 1979 £000	28 weeks 1978 £000
Turnover	15,618	13,753
Trading profit	552	543
Associates	23	18
Pre-tax profit	575	561
Tax	52	68
Exchange gain	[illegible]	[illegible]
Making	516	504

During the period the group expanded its activities in high frequency welding. The subsidiary, Hispeed Plastics purchased the plant and equipment of LCP Trim, making it one of the two major manufacturers in the country of high frequency welded components for the motor industry.

● comment

With first-quarter profits £236,000 below budget it seems that Bernard Wardle was doing little more than breaking even in the first three months. Under normal trading conditions, pre-tax profits might have been up by around 50 per cent, suggesting that if all goes well in the second half profits could reach £1.5m this year. Rising raw material costs have apparently been passed on to the customer, and the high-frequency welding business is doing well, but the Dutch subsidiary continues to blot the copy-book. New management has been installed but, if this fails to achieve a turnround, the group might be tempted to cut its losses and sell. The flat trend of UK car output is hardly encouraging for the longer-term and, at 31p, the shares look fairly rated on a prospective fully taxed p/e of 7.5. Assuming the 20 per cent dividend increase at the interim stage is maintained in the final, the yield is 8 per cent.

Woodhouse & Rickson steady

TRADING profit of Woodhouse and Rixson (Holdings) during the first half of 1979 was similar to the same period last year but after increased interest charges, profits before tax were down from £320,000 to £274,000.

The directors say the trading profit was achieved despite severe weather and the transport strike which cost in the region of £75,000 in lost profit.

A good recovery has been made and trading in recent months has been much more satisfactory. Operations have been streamlined still further and redundancy costs of £70,000 have been incurred.

First half earnings per share are stated as 2.3p against 1.9p and the interim dividend is lifted from 1.15903p to 1.21092p. The total last year was 2.31806p from pre-tax profits of £489,000.

● comment

Four years ago, Woodhouse and Rixson was making profits in excess of £1m pre-tax. There is no reason to suppose that the group is capable of making anything like that figure in the current year, even though the effects of the disastrous foray into the Belgian flange market are now safely out of the way. The shares climbed 1½p yesterday but, at 24p, the price has long recognised that demand is running at levels significantly lower than the boom years and is likely to remain flat in the foreseeable future. The winter's industrial turbulence reduced profits by £75,000 at the interim stage which, when added back, still only indicates fractional growth. Margin pressure appears to be increasing, the terms of international trade have worsened and the engineering industry faces strike action which looks to be deepening. On that basis, it would be difficult to anticipate very much better than 'same' again, which puts the p/e, after the same low rate of tax, at around 8. Of far greater importance is a yield of 14.5 per cent on the 1978 dividend which explains the presence of significant income trust holdings.

BANK RETURN

	Wednesday Aug. 15 1979	Increase (+) or Decrease (−) for week
BANKING DEPARTMENT		
Liabilities		
Capital	14,553,000	—
Public Deposits	25,604,178	+ [illegible]
Special Deposits	520,000,000	+ [illegible]
Bankers Deposits	487,974,171	− [illegible]
Reserves & other Accounts	644,290,687	− [illegible]
	1,689,729,036	+ 455,079,179
ASSETS		
Government Securities	1,377,880,471	+ 447,080,000
Advances & Other Accounts	[illegible]	+ [illegible]
Premises Equipment & Other Secs.	[illegible]	[illegible]
Notes	22,796,255	− 1,751,855
Coin	216,179	[illegible]
	1,689,729,036	+ 455,079,179
ISSUE DEPARTMENT		
Liabilities		
Notes Issued	9,525,000,000	− 75,000,000
In Circulation	[illegible]	− 73,248,145
In Banking Department	22,796,255	− 1,751,855
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	8,344,556,168	− 70,081,266
Other Securities	1,169,428,732	− 4,918,734
	9,525,000,000	− 75,000,000

Royal Dutch/Shell Group of Companies
Results for First Half 1979

An interim report by Royal Dutch Petroleum Company and The "Shell" Transport and Trading Company, Limited on the results of the Royal Dutch/Shell Group of Companies, in which their interests are 60% and 40% respectively.

The results for the second quarter 1979 hava been very substantially affected by the first-in first-out (FIFO) method of inventory valuation used by most Shell companies and by currency translation gains. Tha underlying trend in Shell companies' earnings has improved; in addition to benefiting from the general improvement in oil trading margins, other contributory factors were the increased sales of higher-value oil products, increasad North Sea crude oil production end higher chemicals aarnings.

The net income of the Royal Dutch/Shell Group of Companies for the second quarter 1979 and the first half year 1979, compared with the corresponding periods in 1978, is as follows:

	Second Quarter 1979*	Second Quarter 1978†	First Half 1979*	First Half 1978†
	£ million			
Net Income before currency translation effects	653	292	1,204	585
Net currancy translation gains (losses) on inventories sold and on monetary items	57	102	124	(191)
Net income for the period	710	394	1,328	394

In tha second quartar 1979 market prices have risen, anabling Group companies to recover more rapidly the crude oil price increases imposed by oil producing countries. In the current environmant of substantial increases in crude oil costs, this is essential if tha Group is to maintain its ebility to replace inventories at the higher prices. The approximate value of Group oil inventories, currently at neer minimum operational levals, amounts to £2,500 million.

Compared with the majority of international oil companies who follow tha last-in first-out (LIFO) mathod of inventory accounting, the net income of the Group, largely accounted for on tha FIFO mathod, is highar at a tima of rising crude oil ecquisition costs. This results from these edditional costs being carried forward in inventories into the succeeding quarter instead of being charged against the current quarter's net income. The higher crude oil costs which arose in the first and second quarters of 1979 ara a measure of the increasa in the amount required to finance the higher-cost inventories. In the second quarter the Group net income was increased by soma £280 million and in the first half year by soma £400 million in comparison with following a LIFO method. During tha first half yaar 1978, tha corresponding effects on net incoma were negative by about £60 million. Eliminating the FIFO effect and currency translation gains, the increasa in net income for the half year 1979 over 1978 is about 23%.

Capital expanditure and investments in tha first half of the year continued at s high level of over £1,000 million. This axpenditure continues to be substantially directed towards edditional energy projects. In addition, over £900 million was invested in nacessary increases in working capital. The Group largaly depends upon net income and other internally-generated funds to finance thesa expenditures.

Shell Oil Company of the United States reported 55% highar dollar earnings for tha second quarter, arising from higher crude oil and neturel gas prices and increased sales volumes of chemicals products. Shell Canada's dollar earnings also improved substantially, mainly due to higher sales volumes of crude oil, natural gas liquids and natural gas, as well as firmer margins end higher demand for oil and chemicals products.

Excluding Shell Oil Company end Shell Caneda, sales volumes of oil products were lower by 2% than in the second quarter 1978. However, oil supplies available to the Group have not been sufficient to make the necessary replacement of the inventories that were drawn down in the first quarter of this year.

Sales volumes of natural gas as compared with the second quarter 1978 declined by 4%, principally due to lower sales in the Netherlands end West Germany, the effect of which was offsat by higher unit realizations. Chemicals sales volumes were 7% above the level of the second quarter 1978, end were maintained at much the same level as in the first quarter. This combined with significant price increases has resulted in improved chemicals earnings in spite of sharply increased feedstock costs. The overall improvement in the metals sector noted in the first quarter 1979 has been sustained.

Long-term debt (including short-term part) was £3,223 million, and cash and short-term sacurities £2,838 million, as at June 30, 1979.

August 16, 1979

* *It should be noted that net income excludes a net reduction in deferred tax of around £120 million resulting from the provisions of the recent U.K. Finance Act relating to stock relief. This will be taken up in the second half of 1979.*

† *In the financial statements for the year 1978, the Group adopted modified accounting policies relating to Capitalization of Leases and Exploration Costs. Therefore comparative figures for 1978 have been restated accordingly.*

Statement of Income

	Second Quarter 1979	Second Quarter 1978*	First Half 1979	First Half 1978*
	£ million			
Revenues				
Sales proceeds	8,263	7,281	18,181	14,181
less Sales taxas, axcise duties and similar levies	1,655	1,573	3,243	2,956
	6,608	5,708	12,938	11,225
Other revenues	182	182	388	321
Share of earnings of associated companiea	150	90	318	140
Interest incoma	79	56	149	106
	7,019	6,036	13,771	11,792
Costs end expenses				
Purchases and operating expanses	4,650	4,145	9,159	8,343
Selling, general and adminiatrative expenses	498	650	1,058	1,380
Exploration	84	85	163	156
Research and development	46	43	92	86
Depreciation, depletion and amortization	208	184	414	363
Interest expense	83	88	169	172
Taxation on income	679	407	1,287	832
Income applicable to minority interesta	61	40	101	66
	6,309	5,642	12,443	11,398
Net income for the period	710	394	1,328	394

*restated

Accounting policies for first half 1979 ara unchanged from those set out in the Royal Dutch and Shell Transport 1978 Annual Reports (pages 37 and 38).

† Parent company share therein:		per Ordinary Share			
Royal Dutch	N.fl.	14·28	7·53	26·97	7·53
US dollar equivalents	$	7·04	3·71	12·81	3·71
(based on 134,078,522 shares of N.fl.20 outstanding at June 30, 1979)					
Shell Transport	pence	23·92	13·27	44·71	13·27
(based on 1,104,834,414 shares of 25p outstanding at June 30, 1979)					
New York Share equivalents	$	2·08	1·15	3·88	1·15
(one New York Share = four 25p Shares)					

† *For illustrative purposes, to establish tha division of income between Royal Dutch and Shell Transport, tha percentage of net income applicable to the parent companies for tha year 1978 has been used: Royal Dutch 62·8%; Shell Transport 37·2% (see 1978 Annual Reports, page 42—Notes 2 and 3 to the Financial Statements of the Royal Dutch/Shell Group of Companies).*

Royal Dutch guilders are translations from tha underlying sterling at average rates for tha quarters in question: Royal Dutch and Shell Transport dollars are shown for convenience as translations of the respective underlying guilders or sterling at tha end-June 1979 rates, which were: $1 = N.fl. 2·028; £1 = $2·17.

Financial Data

	Second Quarter 1979	Second Quarter 1978*	First Half 1979	First Half 1978*
	£ million			
Changes in financial position				
Funds provided				
Income, including minority share	771	434	1,429	460
Depreciation, depletion and amortization	208	184	414	363
Other funds from operations	177	84	318	271
Funds from operations	1,156	702	2,161	1,094
Other funds provided—net	68	–	105	28
	1,224	702	2,266	1,120
Funds applied				
Capital expenditure	543	597	981	1,095
Investments in associated companies	33	12	50	48
† Long-term debt: repayments less new borrowings	39	(2)	60	(338)
currency translation effects	142	(1)	209	(161)
† Current assets less current liabilities	436	73	923	450
Other funds applied—net	–	8	–	–
Dividends: to parent companies	14	–	14	–
to minority interesta	17	15	29	26
	1,224	702	2,266	1,120

*restated

	Second Quarter 1979	Second Quarter 1978*	First Half 1979	First Half 1978*
Capital expenditure by functions				
Oil rights and concessions	23	22	31	47
Exploration end production	251	252	448	464
Oil manufacturing	68	60	120	99
Tankers	12	8	30	15
Marketing	64	86	110	119
Coal	7	15	13	40
Chemicals manufacturing	98	158	189	273
Metals	4	5	8	15
Research	7	6	13	10
Other	9	5	19	13
	543	597	981	1,095
by geographical areas				
Europe	217	258	381	430
Rest of Eastam Hemisphere	87	70	155	130
USA	186	220	346	402
Canada	33	34	63	101
Rest of Western Hemisphere	9	9	16	17
Tankers	12	8	30	15
	543	597	981	1,095
Other financial data				
Cash and short-term securities, June 30			2,838	2,814
† Long-term debt, June 30			3,223	3,780

† *Long-term debt includes capitalized lease obligations; short-term part of each is also included and is therefore excluded from current assets less current liabilities.*

Operational Data

	Second Quarter 1979	Second Quarter 1978	First Half 1979	First Half 1978
Crude oil supply	thousand barrels daily			
Europa	335	176	328	179
Africa	507	496	513	499
Middle East	1,533	1,708	1,446	1,711
Far East and Australasia	139	129	152	125
USA	570	571	561	567
Canada	79	61	78	65
Rest of Western Hemisphere	226	234	221	231
Local purchasas	1,300	1,193	1,302	1,119
	4,689	4,568	4,601	4,496
Crude oil processed	4,128	3,999	4,192	4,134
Oil sales				
Gasolines	1,583	1,606	1,577	1,545
Kerosines	411	415	447	436
Gas/Diesel oils	1,129	1,170	1,271	1,315
Fuel oil	1,035	1,070	1,150	1,180
Other products	438	412	408	375
Total oil products*	4,566	4,673	4,853	4,851
Crude oil	566	566	576	549
Total oil sales	5,182	5,239	5,429	5,400
*comprising:				
Europe	1,672	1,694	1,802	1,786
Rest of Eastern Hemisphere	1,055	1,025	1,080	1,046
USA	1,148	1,204	1,232	1,256
Canada	288	326	295	359
Rest of Western Hemisphere	433	424	444	404
Natural gas sales	million cubic feet daily			
Europe	2,778	2,907	3,835	3,704
Rest of Eastern Hemisphare	552	559	563	556
USA	1,969	1,973	1,963	2,005
Canada	656	564	705	622
	5,955	6,003	7,066	6,887
Chemicals sales proceeds	£ million			
Europe	391	276	726	522
Rest of Eastern Hemisphere	66	54	127	101
USA	296	285	568	518
Canada	21	18	34	29
Rest of Western Hemisphere	35	31	59	55
	809	664	1,514	1,225

Note: The figures shown in these tables represent the totals reported by consolidated companies (those companies in which there is a majority interest) plus, for crude oil processed and natural gas sales, the Group share in respect of associated companies (companies in which the interest is 50% or less).

Tilling pays £13.5m for U.S. oil equipment group

BY JAMES BARTHOLOMEW

Thomas Tilling, the widely diversified holding company, has bought the oil and gas equipment supply business of Superior Iron Works and Supply Company Inc. for $30m (£13.5m), bringing Tilling's U.S. spending this year up to £79m.

The latest buy reinforces Tilling's commitment to the U.S. energy industry. Out of the eight purchases made in America this year, four of them have been energy-related.

The Superior division will be linked with Norvell-Wilder Supply Company, another Tilling subsidiary operating in the same field. Together they will be the third largest U.S. oil field equipment supplier independent of manufacturers or users.

Superior is rather like a builders' merchant, said Mr. Francis Black, a director of Tilling, yesterday. But instead of serving general building trades it serves the specialised oil and gas exploration, production and transmission industry and some other industries such as industrial construction.

Superior's oil field division has outlets in 30 locations in the Southern States and Southern Rocky Mountains. The industrial construction supply side has five outlets. In the year ended September 30, the supply division as a whole made a pre-tax profit of $5m on turnover of $123m.

Tilling's other energy-related U.S. acquisitions this year have been Ramteck Industries, a manufacturer of equipment for the oil and gas industry bought for $24m and Clecon Inc., a manufacturer of insulation products acquired for $22m.

Tilling's total bill in the U.S. since the beginning of 1977 has added up to £108m. This deliberate expansion of U.S. interests has brought the proportion of group funds in the U.S. up to 25 per cent, said Mr. Black yesterday. There could be one or two other opportunities in the pipeline, but the group has now spent the bulk of what it intended, he said.

The expansion had been made because Tilling had long felt that a company of its size should diversify geographically, he added. But only after the oil crisis of 1974 did prices in the U.S. come down to a level where Tilling thought investment there yielded a sufficient return. Tilling had planned its U.S. purchases in industries it already knew and in two or three other selected industries of which energy was one.

Hanson nearer to its goal

Hanson Trust inched further towards its goal of acquiring Lindustries yesterday, lifting its holding to 14.7 per cent. as the formal documents for its £28.5m offer were being sent out.

The bid is a return of Hanson's previous effort at acquiring the company nearly two years ago. It was deflected then by the refusal of the Lindustries board to recommend acceptance.

This time, Hanson Trust is not making its identical offer conditional on such a recommendation. The Lindustries board, which was meeting last night, had no immediate comment to make.

Hanson, which has been buying shares at the 135p offer price—on an ex-dividend basis — has built up its stake from the 5.9 per cent it held at the start of this month.

Lindustries shareholders are told in the document by Sir James Hanson, the Hanson Trust chairman, that "one way or another your company has had troubles for some years."

If one subsidiary has not been making losses, he adds, then others have given rise to serious problems. He also points out that while Hanson has more than doubled profits in the past three financial years, Lindustries has only lifted them by just under 34 per cent.

The bid is due to close on September 7. If it succeeds, the two companies will have combined attributable net tangible assets of £104.1m. A pro-forma asset statement included in the document also shows prospective net current assets of £74m and fixed assets of £95.5m.

The offer terms provide for ordinary shareholders in Lindustries to receive the 6.6p final dividend payable in October. Sir James comments, though, that the pessimistic forecasts made at the annual meeting by retiring chairman Mr. W. E. Luke means that "the prudence of maintaining such a level of dividend for the current year must be questioned."

Shares of Lindustries, of which nearly threequarters are in the hands of institutions closed yesterday at 141p cum-dividend, while Hanson ended at 119p. Both were 1p higher.

ROCKWARE/DART AGREEMENT

Following the announcement on May 29 that discussions were in progress, Rockware Group and Dart Industries Inc. announced yesterday that definitive agreement has been reached for the acquisition by Rockware of Dart's international plastic bottle-manufacturing operations.

The adjusted Net Book Value of the underlying assets being acquired was about £8.4m, after deduction of inter-company indebtedness due to other parts of the Dart group of some £294,000 which will be discharged following completion.

The profit before tax of the operations for the year 1978 was £224,000.

The consideration is to be equal to £3m, part of which will be payable to overseas subsidiaries of Dart in local currencies. The consideration will be subject to minor adjustments, depending upon the precise assets transferred on completion, which is expected to be on August 23.

Rockware proposes to finance the consideration by an overseas borrowing equivalent to £1.1m and, as to the balance, by the drawdown of existing sterling facilities.

Rockware regards the acquisition as an integral step in its policy of diversifying its interests within the packaging industry and also of broadening its geographic spread.

Rockware has been advised by Kleinwort, Benson and Dart by Kuhn Loeb Lehman Brothers International.

BESTOBELL/BTR

As BTR took its stake in Bestobell past the 30 per cent mark yesterday, the latter's chairman, Mr. Sandy Marshall, said he was "very confident" that the company would stay independent.

BTR's £29m offer closes this afternoon. If it fails and BTR is left with a sizeable chunk of Bestobell's equity, Mr. Marshall's hope is that BTR proves a constructive shareholder."

Certainly, he added, "we do not want a Sword of Damocles banging over our head." He repeated that Bestobell was encouraged by the level of institutional support for its desire to remain independent. BTR, however, also says it is pleased with the reaction of institutions to its increased offer.

SHARE STAKES

Automotive Products: Emmott Foundation has brought further 30,000 shares. Mr. E. G. Barratt, Mr. M. Keeble and Mr. J. B. Emmott, directors, are also directors of Emmott.

H. P. Bulmer (Holdings): Mr. J. E. Bulmer, director, is now interested in 536,549 shares beneficial and 584,733 non beneficial. Total 13.75 per cent. Mr. D. E. Bulmer, director, is now interested in 786,867 shares beneficial and 1,056,684 non beneficial. Total 17.83 per cent.

Britannia Arrow Holdings: London Trust Company holds 7.5m ordinary (9.97 per cent).

Fisons buys Agricultural Hldgs. rump

AGREEMENT has been reached in principle between Fisons and Agricultural Holdings Company, a private company, for Fisons to acquire the seeds and engineering businesses of AHC, the combined turnover of which is in the region of £26m. Fisons will issue about 4.5m ordinary shares as consideration—worth some £11.25m.

The seeds business is carried on by a number of subsidiary companies, notably Hurst Gunson Cooper Taber and Finney Lock Seeds. These are engaged in the breeding, multiplication, processing, wholesaling and retailing of agricultural and horticultural seeds, operating internationally.

The engineering business is mainly carried on by Gunson Sortex, which manufactures electro-optical sorters for the agricultural and food processing industries internationally. In addition, Sortex (Mina) uses the same basic technology to sort minerals and H. Tinsley and Co. manufactures electrical measuring equipment.

Commenting on the deal, Mr. Ron Bounds, Fisons chief executive, said: "This acquisition will expand Fisons already extensive agricultural and scientific equipment interests.

"We consider both businesses are capable of growth, in both profit and market position terms, and will complement Fisons' existing product range." flexibility and ability to take

COURTAULDS SELLS BRICK OFFSHOOT TO GEO. ARMITAGE

Courtaulds is selling to George Armitage and Sons its wholly owned subsidiary Accrington Brick and Tile Co. for £1.65m cash. In addition Armitage will procure the settlement of the net indebtedness of Accrington to the Courtaulds group—estimated to be £500,000.

Accrington's business is outside the mainstream of Courtauld's activities but will fit into the existing business of Armitage, the West Yorkshire-based supplier of facing and engineering bricks. It will enable the enlarged group's interests in the brickmaking industry to be developed further on a national basis.

Armitage will be entitled to all of Accrington's profits from April 1, 1979. Pre-tax profit for the four months to August 3, 1979 was £158,000. Accrington's pre-tax profit for the year to March 31 was £261,000, after deducting £79,000 for Courtauld's management charges, and net tangible assets £681,000.

It is anticipated that a professional appraisal of land and buildings will show a substantial surplus over book value.

The deal is subject to contract but is expected to be completed by October 1.

SILHOUETTE

The offer by W. L. Pawson for Silhouette (London) has been declared unconditional as to acceptances and remains open until September 9. The cash offer has now closed.

The bid for the ordinary shares was accepted by holders of 96.4 per cent and that for the "A" ordinary shares by holders of 92.44 per cent.

McKAY SECS.

In a transaction worth around £1½m, McKay Securities Group has sold a 71 per cent interest in its office and warehouse complex Excel House in Caversham Road, Reading. Purchasers were the Hampshire County Council Superannuation Fund, represented by Richard Ellis.

EDINBURGH ICE RINK STAKE

Edinburgh Ice Rink announces that Sawers Properties has acquired 800 shares. Sawers is controlled by Mr. J. Glasgow. When this acquisition is added to Mr. Glasgow's personal holdings and those of Glasgow Tullis Enterprises, Paisley Ice Rink and Scottish Ice Rink (1928), which he controls, it brings his interest in Edinburgh Ice Rink to 35.725 per cent.

GEO. SHIPWAY

Stora Kopparbergs Bergslags announce the purchase of the capital of George Shipway, Birmingham. The existing management will continue in office and will be joined by Mr. Richard Neale. Current turnover of Shipway is in excess of £2m per annum.

BURRELL

Burrell and Co. has purchased a 35 per cent holding in Kenroy Dispersions of Lancashire. Privately owned Kenroy specialises in the dispersion of pigment colours in various media including water, resins and plasticisers in concentrated forms.

IN BRIEF

HAROLD INGRAM (design, manufacture and marketing of knitted garments)—Results for year to April 30, 1979, reported July 26 with chairman's observations on prospects. Group fixed assets £1.49m (£1.56m). Net current assets £1.4m (£1.49m). Increase in net liquid funds £0.62m (£0.22m). A new wholly-owned subsidiary is being formed in the name of London Parcels. It is intended that this company will trade as a haulage contractor in London and the Home Counties. The operation should commence in September 1979. It is hoped that, in time, this diversification will add a new dimension to the group. So far some £65,000 has been authorised for investment in new vehicles. Meeting, 21, Newman Street, W., on September 11, at 11.30.

HOLLAS GROUP (textiles)—Results for year to March 31, 1979, and prospects, reported July 12. Group fixed assets £2.24m (£2.23m), net current assets £1.59m (£0.74m). Cash and bank balances £327,582 (£756,092). Meeting, Altrincham, September 12, at 11 am.

MINING SUPPLIES—Results reported July 28, 1979. Fixed assets £5.35m (£4.59m). Net current assets £2.67m (£1.9m). Increase in working capital £1.09m (£0.69m). Meeting Doncaster on September 10 at noon.

MANOR NATIONAL GROUP MOTORS LTD

Interim Report

Unaudited Results for the Half Year to 30th June	1979 £'000	1978 £'000
Turnover	24,327	21,453
Trading profit (before interest)	1,071	832
Profit (before tax)	723	621
Ordinary dividend per share (net)	1.0p	—

- ★ Turnover increased by 13.4%.
- ★ Trading profit (before interest) increased by 28.7%.
- ★ Profits before tax increased by 16.4%.
- ★ Board actively seeking suitable acquisitions.
- ★ Truck business growing in turnover and profit.

The interim dividend will be paid on 28th September, 1979, to Ordinary Shareholders on the Company's Register at the close of business on 7th September, 1979.

R. A. Stoodley, Chairman and Managing Director

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.
45 Cornhill, London EC3V 3PB. Tel: 01-623 6314.
Index Guide as at August 16, 1979

Capital Fixed Interest Portfolio	117.59
Income Fixed Interest Portfolio	105.00

ASSOCIATED LEISURE

All divisions contribute to record profit

Turnover up 33% to record £29.1 million

Profit up 42% to record £4.97 million

Dividends up 41% to record 4.25p net per share from earnings of 12.08p per share

The Board expects trading in the current year to be good.

Principal Activities:
Manufacture, distribution and rental of amusement machines, and the operation of leisure centres, amusement parks, holiday centres and hotels.

ALL

Copies of the 1979 Annual Report are available from The Secretary, Associated Leisure Limited, Phonographic House, The Vale, London NW11 8SU.

Half year results from Royal Insurance

Interim Dividend

The directors have declared an interim dividend of 8.25p per 25p unit of stock which with the addition of stockholders' tax credit is equivalent to a "gross" dividend of 11.786p. This compares with the interim dividend of 7.272p (10.853p "gross") declared at the similar stage last year.

The dividend will be payable on 2nd January 1980 to stockholders registered at the close of business on 23rd November 1979.

Estimated Half Year Results

As has been pointed out previously, half year figures should not be taken as giving a reliable indication of the outcome for the year.

	6 months to 30 June 1979 £m	6 months to 30 June 1978 £m	Year 1978 £m
General Insurance Premiums Written (see Note 1)	647.2	651.3	1220.1
Underwriting Result	−11.1	9.4	25.4
Long term insurance profits	2.2	2.2	4.4
Investment Income (see Note 2)	62.6	58.8	120.7
Share of Associated Companies' profit	3.3	1.2	2.5
Total profit before taxation (see Note 2)	57.0	71.6	153.0
Taxation	23.1	29.0	64.5
Profit after taxation	33.9	42.6	88.5
Minority Interests	0.5	0.2	0.3
Net profit attributable to the Company	33.4	42.4	88.2
(pence per unit)	(22.2p)	(28.2p)	(58.7p)
Supplementary dividend for previous year	—	0.2	0.2
(pence per unit)		(0.151p)	(0.151p)
Dividend	12.4	10.9	28.2
(pence per unit)	(8.25p)	(7.272p)	(18.772p)
Provision for Employee Share Scheme	—	—	0.4
Profit retained	21.0	31.3	59.4

Exchange Rates

In the above figures foreign currency has been converted according to our normal practice of approximately the average rates of exchange ruling during the period. The principal rates were:—

	6 months to 30 June 1979	6 months to 30 June 1978	Year 1978
USA	$2.05	1.88	1.92
Canada	$2.40	2.10	2.19
Australia	$1.83	1.65	1.68
Netherlands	Fls4.17	4.18	4.15

Note (1) Premiums written in 1979 have been depressed in comparison with the period for 1978 mainly due to movements in exchange rates and to a lesser extent to accounting changes. If allowance is made for these factors, the underlying growth in premium income was 7.3% as against an apparent decrease.

Note (2) The effect of changes in exchange rates on the comparison of the half year results was to depress the profit before taxation for the first half of 1979 by £2.6m; the investment income for the first half of 1979 was adversely affected by £4.2m whereas the underwriting result benefited by £1.6m.

Underwriting Results

	6 months to 30 June 1979 £m	6 months to 30 June 1978 £m	Year 1978 £m
USA	−7.8	0.9	10.5
UK and Irish Republic	−1.1	2.5	11.9
Canada	−4.6	6.2	2.4
Australia	−1.7	−0.5	−0.3
Europe (ex UK and Irish Republic)	1.0	−0.7	0.1
Other Overseas	3.3	1.0	0.8
Total	−11.1	9.4	25.4
The operating ratios for the USA on the UK basis are:—			
Claims as % of earned premiums	71.3	69.0	65.9
Expenses as % of written premiums	30.6	29.2	30.9
Operating ratio	101.9	98.2	96.8

An underwriting profit of £8.8m was earned in the second quarter and so the underwriting loss of £19.9m for the first quarter, largely attributable to the abnormally high level of weather losses and large fire claims, was reduced to £11.1m for the half year.

In the United States in the second quarter there was a breakeven result. Property business improved largely due to the commercial multi-peril line which was restored to profitability. For the half year as a whole automobile insurance produced the greatest part of the loss. Workers' compensation and general liability results were better than in the first half of 1978.

In the United Kingdom, despite a further loss on householders business, there was an underwriting profit of £5.1m in the second quarter which substantially offset the first quarter loss.

In Canada the underwriting loss at the half year was only slightly higher than at the end of the first quarter despite the severe impact of a windstorm in Southern Ontario.

In Australia there was a further underwriting loss in the second quarter and market conditions remained very difficult.

In the Netherlands there was a welcome return to profitability which was partially offset by a small loss in the rest of Europe.

In "Other Overseas" which includes direct and reinsurance business there was a satisfactory profit.

Associated Companies

The increase in the share of Associated Companies' profit is largely due to the inclusion of the Aachen and Munich for the first time as an associated company following the increase in our shareholding to 20%.

Royal Insurance

THE HOKKAIDO TAKUSHOKU BANK LIMITED
("TAKUGIN")

US $20,000,000

NEGOTIABLE FLOATING RATE CERTIFICATES OF DEPOSIT
MATURITY DATE FEBRUARY 19, 1982

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six months Interest Period from August 20, 1979 to February 20, 1980 the Certificates will carry an Interest Rate of 11⅞% per annum.

Agent Bank

FIRST CHICAGO LIMITED

The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books—and forget it.

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children—for them their war lives on, every day and all day.

In many cases, of course, there is help from a pension. But there is a limit to what any Government Department can do.

This is where Army Benevolence steps in. With understanding. With a sense of urgency... and with practical, financial help.

To us it is a privilege to help these brave men—and women, too. Please will you help us to do more? We must not let our soldiers down.

The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress

Dept. FT, Duke of York's HQ, London SW3 4SP

A buoyant first half for Bougainville

BY KENNETH MARSTON, MINING EDITOR

FIRST HALF 1979 earnings of the Rio Tinto-Zinc group's big copper-gold producer in Papua New Guinea, Bougainville Copper, exceed most expectations at K37.7m (£22.1m) against K23.4m in the same period of last year. The interim is doubled at 10 toea (5.9p): the 1978 final was 10 toea.

	Six months ended June 30 1979 (K000)	1978 (K000)
Total revenue	155,947	97,360
Cost of sales, etc.	60,363	55,905
Depreciation, amortisation and royalties	23,300	19,880
Earnings before exchange gains & tax	71,684	21,375
Exchange gains	2,357	9,074
Earnings before tax	74,036	30,999
Taxation	36,360	7,633
Consol. net earnings	37,676	23,366

The latest good performance is a direct reflection of the recovery in copper prices during the period and the further rise in the gold price; the mine ranks among the world's major gold producers.

In the latest period copper averaged 87.2 cents per pound compared with 57.9 cents a year ago while gold was $248.45 per ounce against $178.48. Metal production, however, was lower in line with the expected reduction in ore grades.

Bougainville will pay tax at the standard PNG rate of 36.5 per cent on income up to about K95m for 1979, but will be taxed at 70 per cent on profits above this level. Because it is expected that the higher rate will apply this year the first half earnings include a proportionate charge for additional profits tax.

Exchange gains on foreign currency loan repayments have fallen in line with the low level of repayments which totalled K16m against K61m a year ago. However, the company's loans outstanding at June 30 had been reduced to K46m.

While the world's economies will not suffer to the same extent as in 1974-75, Bougainville reckons that it is inevitable that the OPEC oil price rises will cause economic growth to falter and that this will be reflected in copper prices. Even so, the current rally has lifted copper prices to the average levels of Bougainville's first half while gold is considerably higher at $298. There is thus the prospect of Bougainville maintaining its high level of earnings for the current half year and, indeed, confidence has been shown in the doubling of the interim dividend. On this basis the shares of this relatively low-cost producer do not seem overpriced at 130p.

ROUND-UP

Iron Ore Company of Canada has made a first half 1979 profit of U.S.$35.5m (£15.9m) compared with a loss of $38.5m a year ago. The turn-round reflects a sharp increase in iron ore sales which were negligible in the same period of last year owing to a strike.

* * *

Shell Canada has been offering coal from its Line Creek deposit in south-eastern British Columbia to potential customers in Canada, Japan, the Far East, Latin America, the U.S. and Europe.

Its coal arm, Crows Nest Resources, has conducted "an intensive programme on future opportunities" for both thermal and metallurgical coal in domestic and overseas markets.

* * *

America's Freeport Minerals has declared a regular quarterly dividend of 30 cents (13½p) a share, payable September 4 to stockholders of record August 15. The dividend is unchanged from the previous payment which was increased in June after allowing for the adjustment for the three-for-two stock split that became effective July 2.

W. GERMAN OFFER TO DEVELOP COLOMBIAN COAL

The West German Economic Affairs Minister, Mr. Otto Lambsdorff, has offered Colombia technical and financial aid in order to exploit huge coal deposits estimated at between 10bn and 40bn tonnes.

Mr. Lambsdorff ended a three-day official visit to Colombia and flew to Caracas on the next leg of his Latin American tour. Previously he had visited Mexico.

He said that the Colombian Government had accepted his offer and would send a technical mission to West Germany soon to observe German coal mining techniques.

JOHNNIES R40M PREFERENCE SHARE PLACING

Johannesburg Consolidated Investment mining finance house is to go ahead with a private placing of 40m variable rate redeemable cumulative preference shares of 10 cents each.

They will be issued at a price of R1 to South African financial institutions and will be subordinate to the preference shares already in issue.

The proceeds, it is stated, will increase "Johnnies" financial flexibility and ability to take advantage of new business opportunities as they may arise.

U.S. group planning $400m phosphate expansion

A PHOSPHATE mining and processing expansion which will take several years to complete and will cost somewhere in the region of $400m to $450m (£179m to £202m) is planned by International Minerals and Chemicals Corporation of Illinois. The initial cost figure for the engineering of the projects is put at $12m.

The U.S. concern envisages a 2m to 3m tons' expansion of its phosphate rock mining operations in Florida. The production capacity for phosphate chemicals is to be raised by 50 per cent with a new plant adjacent to the existing operations near Mulberry, Florida.

International Minerals and Chemical is involved in five major activities: fertilisers, animal products, energy, industry and chemicals. Apart from phosphates, the company's mining interests include potash in New Mexico and Saskatchewan and metallurgical coal in Eastern Kentucky.

A $50m uranium oxide plant is expected to be completed late this year and will recover uranium oxide at a design capacity of 750,000 lb a year from the phosphoric acid production at New Wales, Florida. Two similar projects for a recovery of 1.3m lb have been approved with another acid producer, CF Industries.

Witan jumps to £2.33m in first quarter

Gross income at Witan Investment Company rose from £1.73m to £2.33m for the three months to July 31, 1979. Earnings per share are 1.05p, compared with 0.80p.

For the full year to April 30, 1979, gross income was £6.98m, and earnings per share 3.70p.

Assets per ordinary share at July 31 were 115.7p, against 138.8p at April 30, 1979 and 132.8p for the corresponding period of 1978.

Over the past 12 months, the distribution of investments in the UK has risen from 51.3 per cent to 63.87 per cent, while those in North America and the Pacific areas have fallen from 23.81 per cent to 20.36 per cent and 22.85 per cent to 14.39 per cent respectively.

McLeod Russel

Pre-tax profits of McLeod Russel and Co., tea estate group, slumped from £5.52m to £4.18m for the year ended March 31, 1979, in line with the £4.25m estimate in June. Turnover fell from £21.3m to £18.3m.

As forecast the dividend for the period is unchanged at 13.5p net per £1 share. Earnings are given as 13.25p (45.21p) per share.

The attributable balance for the year was £452,000, compared with £2.83m previously after a debit of £81,000 of exchange differences and extraordinary items (£999,000 credit) and preference dividends £91,000.

S & N sales up in first quarter

Mr. Peter Balfour, chairman of Scottish and Newcastle Breweries told holders at the AGM that beer sales in the first quarter were up on last year, continuing the trend which he believed was the result of changes made in the company.

Trading in the group's managed public houses and in the wine and spirit company had also been better but in the hotel company, the recession in the tourist trade had been noticeable.

Prospects for the half year and full year would depend on the company's ability to keep pace with inflation and on the outcome of wage and salary negotiations. However, the improvement in the progress of the company, referred to in the annual statement, continued.

Norvic stages midway turnround

After a strong second half in 1978 Norvic Securities, the investment holding and management company, reported £105,000 taxable profits for the six months to June 30, 1979. This compares with a £94,000 loss at midway the previous year.

The taxable surplus for the whole of 1978 was £115,000 (£220,000).

There is a net interim payment of 0.4p per 10p share. Last time the interim was not paid but there was a final of 0.8p.

The Board says the recovery is continuing into the second half, but a lot depends on the impact of substantially higher prices and VAT on the repeat orders for autumn and the forward orders for next spring.

On sales ahead from £6.5m to £8m the trading profit jumped from £17,000 to £269,000. The surplus includes a temporary employment subsidy which has now ceased.

Albright & Wilson slumps at halfway

PRE-TAX PROFITS of Albright and Wilson, wholly-owned subsidiary of Tenneco Inc., slumped from £18.8m to £9.75m in the first half of 1979. The figure for the whole of last year was £25.15m.

Sales for the six months amounted to £177.9m (£177.2m), tax took £1.74m (£1.31m) and minorities were £196,000 (£296,000). Mainly due to the decrease in the value of overseas fixed assets, less long-term liabilities, there was an extraordinary debit this time of £1.29m.

The directors report that sales and profit in the early part of the year were considerably curtailed by a strike at one of the company's main UK plants and the transport strike.

Strength of sterling has severely affected UK export margins and volume. It also caused a substantial charge against profit arising from the revaluation of overseas net current assets.

Good profits were achieved in Canada and Australia and gains were shown even after conversion into sterling.

The high capital investment programme continues though some delays were experienced in the early months of the year so that expenditure was only £14m (£43m for full year). The first half year preference dividend has been waived.

International Inv. Trust ahead midway

For the half year to July 31, 1979, gross income of the International Investment Trust improved from £1.01m to £1.15m and revenue was £917,734 against £823,006 before tax of £291,795 compared with £265,145.

The interim dividend is being lifted from 1.31p to 1.47p—last year's total was 2.94p on pre-tax revenue of £1.74m.

Valuation of investments at July 31 was £33.2m against £41.19m at January 31 this year and net asset value per share was 101p against 107.5p.

Louis Newmark pays more

As expected, industrial disputes adversely affected second half profits at Louis Newmark and the group finished the year ended March 31, 1979 down from £2.13m to £1.98m pre-tax.

However, the directors are recommending a final dividend of 6p to lift the total from 8.72p to 9p.

In the first half profits before tax had increased from £915,000 to £983,000. The directors had anticipated the profit fall but were confident steady progress would be resumed.

Turnover for the year amounted to £26.54m against £23.79m. Tax takes £1.08m (£1.12m) and £626,000 against £780,000 is retained.

Earnings per share are stated as 30p (33p). The group trades as an electronic and precision engineer and watch distributor.

N.A.V. at 31.7.79
$31.49 (Dfl.63.60)
VIKING RESOURCES INTERNATIONAL N.V.
Info: Pierson, Heldring & Pierson N.V., Herengracht 214, Amsterdam

The Association of Investment Trust Companies

INVESTMENT TRUSTS: net asset values

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Total Assets less current liabilities (1) £million	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges at nominal value (6)	at market value (7)	Investment Currency Premium (see note g) (8)
				Pence except where £ stated (see note d)			
	VALUATION MONTHLY						
140.0	Alliance Trust	Ordinary 25p	31/7/79	8.0	268.7	277.1	5.6
51.1	Anglo-American Securities Corpn.	Ordinary 25p	31/7/79	3.8	123.2	129.0	2.6
131.8	British Investment Trust	Ordinary 25p	31/7/79	5.7	182.9	187.3	3.8
†	Capital & National Trust	Ord. & "B" Ord. 25p	31/7/79	†	†	†	†
11.9	Claverhouse Investment Trust	Ordinary 50p	31/7/79	4.4	118.8	118.8	–
12.3	Crossfriars Trust	Ordinary 25p	31/7/79	4.17	122.8	122.8	–
15.8	Dundee & London Investment Trust	Ordinary 25p	31/7/79	2.6	85.5	87.1	1.1
93.7	Edinburgh Investment Trust	Ordinary 25p	31/7/79	1.95	73.7	77.4	1.1
40.9	First Scottish American Trust	Ordinary 25p	1/8/79	3.15	116.4	118.4	2.3
12.4	Grange Trust	Ordinary 25p	31/7/79	2.4	109.4	113.8	1.3
68.4	Great Northern Investment Trust	Ordinary 25p	31/7/79	4.5	133.2	135.8	1.7
57.0	Guardian Investment Trust	Ordinary 25p	31/7/79	3.15	104.3	109.0	1.5
22.6	Hume Holdings	"A" & "B" Ord. 25p	31/7/79	*5.7	x92.8	x96.0	x0.4
73.6	Investors Capital Trust	Ordinary 25p	31/7/79	2.3	96.2	101.5	2.8
14.6	Jardine Japan Investment Trust	Ordinary 25p	31/7/79	1.0	121.1	121.1	7.7
24.5	London & Holyrood Trust	Ordinary 25p	31/7/79	4.2	149.2	152.8	3.4
22.0	London & Montrose Invest. Trust	Ordinary 25p	31/7/79	5.9	240.6	244.8	5.8
45.3	London & Provincial Trust	Ordinary 25p	31/7/79	3.95	140.5	143.1	3.4
111.3	Mercantile Investment Trust	Ordinary 25p	31/7/79	1.7	x56.1	60.4	0.7
	Do. Do.	Conv. Debs. 1983	31/7/79	£4.50	£85.20	£90.60	£1.00
55.4	North Atlantic Securities Corpn.	Ordinary 25p	31/7/79	3.07	114.9	117.8	2.4
48.3	Northern American Trust	Ordinary 25p	31/7/79	3.05	124.8	128.0	3.1
7.2	Save & Prosper Linked Invest. Trust	Capital Shares	31/7/79	–	151.4	151.4	–
‡124.5	Scottish Investment Trust	Ordinary 25p	31/7/79	3.0	125.0	129.0	2.3
55.9	Scottish Northern Investment Trust	Ordinary 25p	31/7/79	2.533	93.3	98.6	1.6
98.7	Scottish United Investors	Ordinary 25p	31/7/79	1.5	73.1	75.5	2.4
47.8	Second Alliance Trust	Ordinary 25p	31/7/79	6.3	229.3	237.2	4.9
3.7	Shires Investment Co.	Ordinary 50p	31/7/79	9.7336	147.3	147.3	–
39.8	Sterling Trust	Ordinary 25p	31/7/79	6.3	222.8	229.1	4.8
27.0	Technology Investment Trust	Ordinary 25p	31/7/79	3.1	134.3	135.6	2.9
72.8	United British Securities Trust	Ordinary 25p	31/7/79	5.1	162.4	163.7	3.3
31.1	United States & General Trust	Ordinary 25p	31/7/79	6.83	249.4	256.3	5.0
82.0	United States Debenture Corpn.	Ordinary 25p	31/7/79	4.05	112.0	116.4	2.5
	Do. Do.	Conv. Loan 1993	31/7/79	£5.00	£123.20	£126.00	£2.70
	Baillie Gifford & Co.						
117.9	Scottish Mortgage & Trust	Ordinary 25p	31/7/79	3.9	139.3	141.8	2.9
59.2	Monks Investment Trust	Ordinary 25p	31/7/79	1.85	63.9	64.6	1.2
16.1	Winterbottom Trust	Ordinary 25p	31/7/79	5.6	257.9	270.7	5.5
	Baring Bros. & Co. Ltd.						
41.4	Outwich Investment Trust	Ordinary 25p	31/7/79	1.9	72.0	75.6	1.3
21.7	Tribune Investment Trust	Ordinary 25p	31/7/79	1.8	82.9	83.0	2.6
	City Financial Administration Ltd.						
17.6	"Investing in Success" Equities	Ordinary 25p	10/7/79	3.35	221.4	224.5	4.7
	East of Scotland Invest. Managers						
38.8	Aberdeen Trust	Ordinary 25p	31/7/79	3.567	105.9	112.4	1.9
	Edinburgh Fund Managers Ltd.						
59.7	American Trust	Ord. & "B" Ord. 25p	31/7/79	*1.55	58.9	60.9	1.0
16.1	Crescent Japan Investment Trust	Ordinary 50p	31/7/79	1.3	168.3	168.3	7.4
13.3	General Scottish Trust	Ordinary 50p	31/7/79	4.0	115.8	118.1	1.6
	Do. Do.	Conv. Loan 1995/2000	31/7/79	£5.50	£147.10	£150.00	£2.00
5.2	Wemyss Investment Co.	Ordinary £1	31/7/79	13.5	364.0	364.0	6.8
	Electra Group Services Ltd.						
75.3	Electra Investment Trust	Ordinary 25p	31/7/79	5.8	147.4	147.4	1.9
276.3	Globe Investment Trust	Ordinary 25p	31/7/79	5.6	159.3	159.5	2.4
37.7	Temple Bar Investment Trust	Ordinary 25p	31/7/79	6.25	125.2	127.6	0.5
	F. & C. Group						
‡21.1	Alliance Investment Co.	Ordinary 25p	31/7/79	3.75	143.0	147.4	1.2
22.8	Cardinal Investment Co.	Deferred 25p	31/7/79	3.4	120.8	124.8	2.0
	Do. Do.	Conv. Loan 1985/87	31/7/79	£8.00	£130.50	£134.80	£2.10
†	F. & C. Eurotrust	Ordinary 25p	31/7/79	†	†	†	†
183.6	Foreign & Colonial Invest. Trust	Ordinary 25p	31/7/79	2.2625	108.4	112.8	2.4
29.7	General Investors & Trustees	Ordinary 25p	31/7/79	4.0	150.4	154.8	2.1
	James Finlay Inv. Management Ltd.						
1.8	Provincial Cities Trust	Ordinary 25p	31/7/79	1.78	36.6	36.6	–
	Gartmore Investment Ltd.						
6.9	Altifund Ltd.	Income 50p	31/7/79	10.0	102.3	102.3	–
	Do. Do.	Capital 50p	31/7/79	0.5	275.8	275.8	–
25.0	Anglo-Scottish Investment Trust	Ordinary 25p	31/7/79	1.9	61.4	63.8	1.0
27.9	English & Scottish Investors	Ord. & "B" Ord. 25p	31/7/79	*2.65	104.5	110.2	0.9
7.9	Group Investors	Ordinary 25p	31/7/79	2.2	91.3	94.7	1.1
5.3	London & Gartmore Invest. Trust	Ordinary 25p	31/7/79	0.75	88.7	93.4	1.4
10.4	London & Lennox Invest. Trust	Ord. & "B" Ord. 25p	31/7/79	*2.0	67.8	70.1	1.8
23.3	London & Lomond Invest. Trust	Ordinary 25p	31/7/79	2.8	103.3	106.1	1.5
10.7	London & Strathclyde Trust	Ordinary 25p	31/7/79	1.8	57.5	81.5	1.3
13.3	Meldrum Investment Trust	Ordinary 25p	31/7/79	2.1	65.9	66.9	1.2
	Gartmore Invest. (Scotland) Ltd.						
68.4	Scottish National Trust	Ordinary 25p	31/7/79	3.9	183.9	192.6	4.6
17.1	Glasgow Stockholders Trust	Ordinary 25p	31/7/79	2.85	134.7	138.6	3.6
	John Govett & Co. Ltd.						
81.4	Border & Southern Stckhldrs. Tst.	Ordinary 10p	31/7/79	1.7	78.7	80.2	1.7
12.3	General Stockholders Inv. Trust	Ordinary 12½p	31/7/79	4.8	148.9	150.1	4.6
16.1	Govett European Trust	Ordinary 25p	31/7/79	1.5	73.1	73.1	0.8
59.7	Lake View Investment Trust	Ordinary 25p	31/7/79	3.0	123.0	126.8	2.6
60.7	Stockholders Investment Trust	Ordinary 25p	31/7/79	3.35	124.8	129.5	3.2
	G.T. Management Ltd.						
‡19.7	Berry Trust	Ordinary 25p	31/7/79	1.0625	91.5	91.5	0.2
	Do. Do.	Conv. Loan 1993	31/7/79	£4.25	£132.60	£132.60	0.3
‡20.3	G.T. Japan Investment Trust	Ordinary 25p	31/7/79	2.0	190.4	x189.7	–
	Do. Do.	Conv. Loan 1987	31/7/79	£8.50	£118.00	£117.60	–
‡8.4	Northern Securities Trust	Ordinary 25p	31/7/79	4.0	173.1	179.1	0.8
	Hambros Group						
‡24.8	Bishopsgate Trust	Ordinary 25p	31/7/79	6.95	269.8	279.7	3.5
4.8	City of Oxford Investment Trust	Ordinary 25p	31/7/79	3.95	104.9	107.3	3.5
16.1	Hambros Investment Trust	Ordinary 25p	31/7/79	4.1	141.1	151.3	2.2
‡8.5	Rosedimond Investment Trust	Cap. Shares 25p	31/7/79	–	131.0	131.0	0.2
	Henderson Administration Ltd.						
‡136.0	Witan Investment	Ord. & "B" Ord. 25p	31/7/79	2.65	118.4	123.3	2.8
20.9	Electric & General Investment	Ordinary 25p	31/7/79	‡2.0	104.4	105.5	3.4
6.9	Greenfriar Investment	Ordinary 25p	31/7/79	1.65	128.9	128.9	2.6
7.0	Lowland Investment	Ordinary 25p	31/7/79	2.3	77.3	77.3	0.2
2.5	English National Investment	Prefd. Ord. 25p	31/7/79	2.02	37.1	38.1	–
	Do. Do.	Defd. Ord. 25p	31/7/79	3.18	73.2	77.2	–
	Philip Hill (Management) Ltd.						
20.8	City & International Trust	Ordinary 25p	31/7/79	4.7	134.1	138.9	1.4
11.4	General & Commercial Inv. Trust	Ordinary 25p	31/7/79	6.87	184.2	194.0	1.8
24.0	General Consolidated Inv. Trust	Ordinary 25p	31/7/79	4.25	114.8	117.6	1.1
132.0	Philip Hill Investment Trust	Ordinary 25p	31/7/79	4.57	120.2	122.1	0.8
5.9	Moorgate Investment Co.	Ordinary 25p	31/7/79	4.74	118.5	121.0	0.4
37.2	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	31/7/79	3.33	87.4	90.3	1.8
	Industrial & Commercial Fin. Corpn.						
11.8	London Atlantic Inv. Trust	Ordinary 25p	31/7/79	3.6	98.0	99.4	0.7
7.8	North British Canadian Inv. Co.	Ordinary 25p	31/7/79	3.3	114.1	114.1	0.1
	Ivory & Sime Limited						
48.6	Atlantic Assets Trust	Ordinary 25p	31/7/79	1.0	155.2	162.0	5.7
102.8	British Assets Trust	Ordinary 25p	31/7/79	2.8	87.8	93.0	2.9
33.6	Edinburgh American Assets Trust	Ordinary 25p	31/7/79	0.6	65.1	66.6	3.5
16.6	Viking Resources Trust	Ordinary 25p	31/7/79	1.32	148.8	148.8	4.2
	Keyser Ullmann Ltd.						
12.0	Throgmorton Secured Growth Tst.	£1 Capital Loan Stock	31/7/79	–	–	176.7	–
50.5	Throgmorton Trust	Ordinary 25p	31/7/79	4.875	110.4	112.2	–
	Kleinwort Benson Ltd.						
28.0	British American & General Trust	Ordinary 25p	31/7/79	1.85	53.9	55.0	0.6
23.1	Brunner Investment Trust	Ordinary 25p	31/7/79	4.0	138.2	140.8	2.2
32.1	Charter Trust & Agency	Ordinary 25p	31/7/79	2.45	73.8	75.9	1.2
40.9	English & New York Trust	Ordinary 25p	31/7/79	3.5	98.1	99.7	1.7
5.3	Family Investment Trust	Ordinary 25p	31/7/79	4.8	120.6	120.6	0.1
3.3	Jos Holdings	Ordinary 25p	31/7/79	2.375	67.7	67.7	0.4
6.9	London Prudential Invest. Trust	Ordinary 25p	31/7/79	3.45	109.4	112.1	1.5
49.9	Merchants Trust	Ordinary 25p	31/7/79	3.0	92.5	95.9	1.9
	Lazard Bros. & Co. Ltd.						
48.2	Raeburn Investment Trust	Ordinary 25p	31/7/79	4.05	159.0	165.5	3.4
‡38.8	Romney Trust	Ordinary 25p	31/7/79	3.0	116.3	118.8	2.9
	Martin Currie & Co., C.A.						
10.8	Canadian & Foreign Invest. Trust	Ordinary 25p	31/7/79	4.2	145.5	149.3	3.1
18.9	St. Andrew Trust	Ordinary 25p	31/7/79	4.9	150.8	155.6	3.2
†	Scottish Eastern Investment Trust	Ordinary 25p	31/7/79	2.4	†	†	†
22.7	Scottish Ontario Invest. Co.	Ordinary 25p	31/7/79	2.4	79.6	80.9	2.3
53.3	Securities Trust of Scotland	Ordinary 25p	31/7/79	3.525	108.1	117.4	2.7
	Murray Johnstone Ltd.						
‡43.9	Caledonian Trust	Ord. & "B" Ord. 25p	31/7/79	*2.1	95.7	99.1	3.4
‡64.5	Clydesdale Investment Trust	Ord. & "B" Ord. 25p	31/7/79	*1.9	90.8	93.6	3.2
16.1	Glendevon Investment Trust	Ord. & "B" Ord. 25p	31/7/79	*1.85	119.2	122.5	4.2
6.7	Glenmurray Investment Trust	Ord. & "B" Ord. 25p	31/7/79	*1.95	99.2	99.2	2.8
‡72.5	Scottish Western Investment Co.	Ord. & "B" Ord. 25p	31/7/79	*1.7	76.1	79.5	2.6
‡24.2	Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	31/7/79	*2.25	104.5	108.0	3.4
	Schroder Wagg Group						
20.8	Ashdown Investment Trust	Ordinary 25p	31/7/79	4.6	177.6	184.0	4.6
	Do. Do.	Conv. Loan 1988/93	31/7/79	£4.75	£124.30	£123.80	£3.20
6.2	Australian & International Trust	Ordinary 50p	31/7/79	3.0	104.9	104.9	4.8
‡28.1	Broadstone Investment Trust	Ordinary 20p	31/7/79	5.7	188.8	196.3	5.3
‡50.7	Continental & Industrial Trust	Ordinary 25p	31/7/79	7.2	269.8	279.5	4.6
‡28.1	Trans-Oceanic Trust	Ordinary 25p	31/7/79	5.5	219.8	225.6	6.5
‡13.0	Westpool Investment Trust	Ordinary 25p	31/7/79	3.8	136.1	138.5	3.7
	Do. Do.	Conv. Loan 1989/94	31/7/79	£5.00	£122.50	£124.60	£3.30
	Stewart Fund Managers Ltd.						
72.3	Scottish American Investment Co.	Ordinary 50p	31/7/79	3.25	113.3	114.4	1.8
11.7	Scottish European Investment Co.	Ordinary 25p	31/7/79	1.6	53.1	53.1	0.6
	Touche Remnant & Co.						
106.3	Atlas Electric & General Trust	Ordinary 25p	31/7/79	2.25	85.1	88.0	0.8
31.6	Bankers' Investment Trust	Ordinary 25p	31/7/79	2.87	74.6	79.5	1.0
31.4	Cedar Investment Trust	Ordinary 25p	31/7/79	2.75	89.2	91.6	1.1
44.2	City of London Brewery	Deferred 25p	31/7/79	3.26	85.0	89.4	0.2
29.5	Continental Union Trust	Ordinary 25p	31/7/79	4.25	156.0	181.4	2.3
15.6	C.L.R.P. Investment Trust	Ordinary 25p	31/7/79	2.1	93.3	97.4	1.1
182.2	Industrial & General Trust	Ordinary 25p	31/7/79	2.15	74.7	77.9	1.0
39.9	International Investment Trust	Ordinary 25p	31/7/79	2.94	100.9	106.4	1.1
52.9	Sphere Investment Trust	Ordinary 25p	31/7/79	4.0	156.3	160.7	2.4
68.1	Trustees Corporation	Ordinary 25p	31/7/79	6.0	206.1	211.6	1.8
37.2	Trust Union	Ordinary 25p	31/7/79	2.1	75.8	78.0	0.9
	Williams & Glyn's Bank Ltd.						
12.4	Sizewell European Invest. Trust	Ordinary 10p	31/7/79	1.8	96.2	96.2	0.7
2.6	Atlanta Baltimore & Chicago	Ordinary 10p	31/7/79	0.75	63.6	63.6	1.4
3.2	West Coast & Texas Regional	Ordinary 10p	31/7/79	1.1	78.0	78.0	1.8
	VALUATION THREE-MONTHLY						
2.6	Cumulus Investment Trust	Ordinary 25p	31/7/79	0.82	42.9	43.9	0.7
12.8	Safeguard Industrial Investments	Ordinary 25p	29/6/79	4.0	111.9	113.5	–
	Carliol/Tyneside Group						
19.2	Carliol Investment Trust	Ordinary 25p	31/7/79	4.5	157.7	163.1	2.6
	Do. Do.	Conv. Loan 1994-99	31/7/79	£4.50	£135.60	£140.30	£2.20
11.4	Tyneside Investment Trust	Ordinary 25p	31/7/79	4.5	151.3	155.3	2.6
	Do. Do.	Conv. Loan 1994-99	31/7/79	£4.50	£130.10	£133.60	£2.20
	East of Scotland Invest. Mngs. Ltd.						
12.0	Dominion & General Trust	Ordinary 25p	31/5/79	8.5	261.9	270.6	13.8
31.3	Pentland Investment Trust	Ordinary 25p	31/5/79	4.55	168.2	172.7	9.3

AMENDMENT TO TABLE PUBLISHED 20th July 1979
Valuation monthly: Jardine Japan Investment Trust
Col. 1 should read 15.6, Cols. 6 and 7 should read 130.6, Col. 8 should read 10.4.

* Applies to Ordinary/"A" Ordinary only. † Company will announce year-end or interim results shortly. ‡ Change in the prior charges since the previous published figure. § Includes special dividend. sc Adjusted for scrip issue. sr Adjusted for rights issue. x See note (h) below. ⊕ Not directly comparable with previous published figure. ä Dependant on "ä" share conversions.

(a) Cols. 1, 6, 7 Listed investments are valued at mid-market prices; unlisted at directors' valuation; both include 100 per cent of any investment currency premium after taking into account, where appropriate, the premium on any surplus or on any shortfall of foreign currency assets against foreign currency loans.

(b) Cols. 1, 6, 7 All revenue account items are excluded.

(c) Cols. 1, 6, 7 No account has been taken of any liability in respect of taxable gains which might arise on future disposal of investments.

(d) Cols. 5-8 Amounts per share/stock unit or per £100 Convertible Loan Stock. Column 5 precisely stated; columns 6-8 to nearest one-tenth of a penny per share and 10p per £100 Convertible Loan Stock.

(e) Col. 5 Dividend is the last-declared annual dividend or firm forecast, excluding imputation credit. Interest on loan stocks is stated gross of income tax.

(f) Cols. 6-7 Prior charges are deemed to include preference share capital.

(g) Col. 8 The amount per share/stock unit represented by 100 per cent of the investment currency premium applied in calculating the valuation for Cols. 1, 6 and 7.

(h) Cols. 6-8 Convertible loan/preference stocks are treated in the way which produces the lower n.a.v. per share. Convertible stocks are treated as fully converted at the rate for the next conversion date, or where a figure is marked "x" as prior charges. Warrants or subscription rights are treated as unexercised.

هكذا من الأصل

CURRENCIES, MONEY and GOLD

Sterling and dollar weaker

STERLING and the dollar lost ground against other major currencies in fairly active foreign exchange trading yesterday. The pound opened at $2.2340-2.2350 and rose to a high point of $2.2420-2.2430 where the Bank of England probably intervened to support the dollar. In the afternoon, sterling fell quite sharply however, with most of the selling coming from New York. It touched a low level of $2.2210-2.2220 and closed at $2.2215-2.2225, a fall of 1.05 cents on the day. The pound's trade-weighted index, as calculated by the Bank of England, fell to 71.0 from 71.2, after standing at 71.2 at noon and 71.3 in the morning.

The dollar's index, on Bank of England figures, fell to 84.6 from 84.7. There was no sign of support for the U.S. currency by the West German Bundesbank or the Swiss National Bank. The dollar moved within a range of DM1.8280 and DM1.8325 against the D-mark, before closing at DM1.8290, compared with DM1.8335 previously. The range against the Swiss franc was a narrow one of SwFr 1.6540 to SwFr 1.6585, and the dollar closed at SwFr 1.6555, compared with SwFr 1.6585 on Wednesday.

FRANKFURT—The Bundesbank did not intervene when the dollar was fixed at DM 1.8310 against the D-mark, compared with DM 1.8298 previously. Trading was very quiet, with no sign of intervention by the authorities ahead of the fixing. In the morning the U.S. currency moved within a range of DM 1.8300 and DM 1.8320, and there was no news to influence the market since the credit tightening and higher interest rates in the U.S. had been anticipated in the early part of the week.

MILAN — Sterling gained ground against the lira, while the dollar showed little change at the fixing. The pound rose to L1,829.90 from L1,821, and the U.S. currency was fixed at L819.45, compared with L819.70 on Tuesday. EMS currencies were nearly unchanged.

ZURICH — The dollar was steady in quiet morning trading while sterling showed an erratic trend. Firmer U.S. interest rates no longer had much impact, with the dollar quoted at SwFr 1.6575 at mid-morning, compared with an opening rate of SwFr 1.6560, and SwFr 1.6585 at the close on Wednesday.

TOKYO — The dollar rose to Y217.27½ against the Japanese yen at the close, from Y216.80 previously. It opened at Y216.90 and touched a high point of Y217.30 in the afternoon, helped by higher U.S. interest rates and publication of Japan's balance of payments figures for July. The U.S. currency moved up throughout on news of tighter monetary policy by the U.S. Federal Reserve and a rise in U.S. banks prime lending rates, while Japan's current account showed a deficit of $360m in July, compared with a surplus of $120m in June.

THE POUND SPOT AND FORWARD

Aug. 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2210-2.2430	2.2215-2.2225	0.57-0.47c pm	2.81	1.47-1.37 pm	2.56
Canada	2.5990-2.6280	2.6000-2.6010	0.40-0.30c pm	1.62	1.40-1.30 pm	2.08
Nethlnd.	4.46-4.52	4.46½-4.47½	2⅛-1⅛c pm	5.04	5½-4½ pm	4.70
Belgium	65.00-65.70	65.05-65.15	15-5c pm	3.69	35-25 pm	1.84
Denmark	11.71½-11.82½	11.72-11.73	¾ore pm-1¼ dis	−0.26	3-5 dis	−1.38
Ireland	1.0815-1.0880	1.0822-1.0832	25-35p dis	−3.32	92-102 dis	−3.56
W. Ger.	4.06-4.11	4.06¼-4.07¼	3-2pf pm	7.38	8-7 pm	7.38
Portugal	109.00-110.25	109.05-109.35	50-110c dis	−9.79	120-220 dis	−6.23
Spain	146.70-148.05	146.75-146.85	195-245c dis	−17.98	550-650 dis	−16.35
Italy	1,919-1,839	1,919½-1,819½	2½-1½lire pm	0.99	¾-2¼ dis	−0.38
Norway	11.15-11.26	11.15-11.19	5-3ore pm	4.30	11-9 pm	3.59
France	9.46-9.57	9.45¾-9.46¾	2½-1½c pm	2.54	5½-4½ pm	2.11
Sweden	9.38-9.47	9.38¼-9.39¼	2¾-¾ore pm	2.24	5½-9½ pm	1.92
Japan	480-489	481½-482½	3.30-3.10y pm	7.96	9.45-9.15 pm	7.71
Austria	29.65-30.00	29.57-29.72	23-13gro pm	7.27	58-48 pm	7.14
Switz.	3.57-3.72½	3.67½-3.68½	4½-3½c pm	12.64	11⅝-10⅝ pm	12.09

Belgian rate is for convertible francs. Financial franc 67.50-57.55c pm. Six-month forward dollar 2.60-2.50c pm, 12-month 4.63-4.53c pm.

THE DOLLAR SPOT AND FORWARD

Aug. 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2210-2.2430	2.2215-2.2225	0.57-0.47c pm	2.81	1.47-1.37 pm	2.56
Ireland†	2.0540-2.0580	2.0540-2.0570	1.20-1.10c pm	6.71	3.28-3.13 pm	6.24
Canada	1.1706-1.1722	1.1708-1.1709	0.07-0.10c dis	−0.87	0.13-0.16dis	−0.50
Nethlnd.	2.0080-2.0130	2.0090-2.0110	0.47-0.37c pm	2.61	1.15-1.05 pm	2.19
Belgium	29.27-29.32	29.27-29.285	1.0-2.5c dis	−1.39	3-5 dis	−0.55
Denmark	5.2740-5.2790	5.2755-5.2770	1.50-2.0ore dis	−3.98	6.25-5.75dis	−4.17
W. Ger.	1.8282-1.8322	1.8282-1.8292	0.79-0.69pf pm	4.86	2.28-2.18 pm	4.88
Portugal	49.08-49.22	49.08-49.19	25-40c dis	−7.94	80-120 dis	−9.14
Spain	66.03-66.12	66.03-66.07	110-130c dis	−21.80	310-330dis	−19.88
Italy	819.70-819.40	819.70-818.00	0.90-1.40lire dis	−1.7	8.0-6.75 dis	−3.1
Norway	5.0170-5.0280	5.0170-5.0180	1.15-0.65ore pm	2.15	1.75-1.25 pm	1.20
France	4.2555-4.2675	4.2555-4.2570	par-0.08c dis	−0.11	0.67-0.57dis	−0.58
Sweden	4.2230-4.2250	4.2240-4.2250	0.15ore pm-0.05dis	0.28	0.35-0.55dis	−0.43
Japan	215.90-217.30	215.90-217.10	1.0-0.85y pm	6.11	2.90-2.75 pm	5.21
Austria	13.36-13.389	13.36-13.365	5.75-5.25gro pm	4.94	15.50-14.00pm	4.42
Switz.	1.6550-1.6578	1.6550-1.6558	1.44-1.39c pm	10.25	4.06-4.01 pm	9.75

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

August 15	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.580809	Unavail.
U.S. $	10	1.30049	"
Canadian $	11¾	1.59547	"
Austria Sch	3¾	Unavail.	"
Belgian F	9		"
Danish K	9	6.85878	"
D Mark	5	2.37064	"
Guilder	8	2.61464	"
French Fr.	9½	Unavail.	"
Lira	10½		"
Yen	6¼	281.881	"
Nrwgn. K	7	6.56719	"
Spanish Pes.	8	Unavail.	"
Swedish Kr.	7	5.48742	"
Swiss Fr.	1	2.15101	"

CURRENCY MOVEMENTS

Aug. 15	Bank of England Index	Morgan Guaranty changes %
Sterling	71.0	−34.4
U.S. dollar	84.6	−9.7
Canadian dollar	90.4	−17.3
Austrian schilling	148.3	+19.6
Belgian franc	114.1	+13.6
Danish kroner	113.7	+6.4
Deutsche mark	151.8	+42.5
Swiss franc	187.2	+91.3
Guilder	123.5	+18.6
French franc	90.0	−7.4
Lira	55.3	−48.7
Yen	131.7	+30.3

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 16	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.5049	+2.65	+1.38	±1.53
Danish Krone	7.08592	7.28708	+2.84	+1.57	±1.635
German D-Mark	2.51064	2.52797	+0.69	−0.58	±1.1325
French Franc	5.79831	5.88917	+1.57	+0.30	±1.35
Dutch Guilder	2.72077	2.77856	+2.12	+0.85	±1.5075
Irish Punt	0.662638	0.672341	+1.46	+0.19	±1.665
Italian Lira	1148.15	1131.44	−1.45	−1.46	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER MARKETS

August 16	£	$		£ Note Rates
Argentina Peso	3100-3120	1398-1400	Austria	29-30
Australia Dollar	1.9770-1.9610	0.8895-0.8915	Belgium	67½-68½
Brazil Cruzeiro	59.20-60.20	26.65-27.10	Denmark	11.70-11.85
Finland Markka	8.54-8.58	3.8430-3.8475	France	9.40-9.65
Greek Drachma	80.781-82.717	36.35-37.20	Germany	4.04-4.14
Hong Kong Dollar	11.49¾-11.61¾	5.1580-5.1610	Italy	1,800-1,850
Iran Rial	167.08-168.06	70-74	Japan	480-490
Kuwait Dinar (KD)	0.612-0.622	0.2758-0.2759	Netherlands	4.44-4.54
Luxembourg Frc.	65.05-65.15	29.28-29.30	Norway	11.10-11.26
Malaysia Dollar	4.9040-4.9150	2.1565-2.1575	Portugal	105-110
New Zealand Dlr.	2.2010-2.2070	0.9905-0.9930	Spain	145-148
Saudi Arab. Riyal	7.46-7.56	3.3544-3.3554	Switzerland	3.65-3.76
Singapore Dollar	4.9010-4.9120	2.1525-2.1535	United States	2.23½-2.25
Sth. African Rand	1.8640-1.8740	0.8385-0.8430	Yugoslavia	43-45

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

August 16	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.228	4.068	482.3	9.459	3.680	4.468	1819.	2.601	65.10
U.S. Dollar	0.460	1.	1.831	217.0	4.255	1.655	2.011	818.6	1.170	29.30
Deutschemark	0.246	0.546	1.	118.6	2.326	0.905	1.098	447.2	0.639	16.00
Japanese Yen 1,000	2.074	4.608	8.434	1000.	19.61	7.631	9.264	3772.	5.382	135.0
French Franc 10	1.057	2.349	4.301	509.9	10.	3.881	4.724	1923.	2.750	68.83
Swiss Franc	0.272	0.604	1.105	131.0	2.570	1.	1.214	494.3	0.707	17.69
Dutch Guilder	0.224	0.497	0.910	107.9	2.117	0.824	1.	407.2	0.682	14.57
Italian Lira 1,000	0.550	1.222	2.236	265.1	5.198	2.023	2.456	1000.	1.420	35.79
Canadian Dollar	0.385	0.854	1.564	185.4	3.637	1.415	1.718	699.3	1.	25.03
Belgian Franc 100	1.536	3.413	6.248	740.8	14.53	5.653	6.865	2794.	3.995	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 11.15-11.25 per cent; three months 11.25-11.35 per cent; six months 11.25-11.35 per cent; one year —.

Aug. 16	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	14¼-14⅝	11-11¼	10½-11½	8⅝-8⅞	⅝-⅞	6⅜-6⅝	10⅜-10⅝	9-12	—	2⅝-7⅛
7 days' notice	14¼-14½	11-11¼	10½-11½	8⅝-8⅞	¾-1	6⅜-6⅝	10⅜-10⅝	12-13		5⅝-6⅝
Month	14⅛-14½	11⅛-11⅜	11⅛-11½	8¾-9	1⅛-1⅞	6⅝-6¾	11⅜-11⅝	12½-13½	11-11⅛	6-6⅜
three months	14⅛-14⅜	11⅜-11⅝	11⅜-11⅞	8¾-9⅛	1⅞-1⅞	6⅝-6¾	11⅞-12⅛	13¾-14¾	11⅛-11⅞	6⅛-6⅝
six months	13¾-14⅛	11⅜-11⅝	11⅜-11¾	9½-9¾	2⅛-2⅜	6⅞-7	12⅛-12⅝	14¼-15¼	11⅛-11½	6⅛-6⅝
one year	13⅝-13¾	10⅞-11⅛	11-11⅝	9⅛-9⅝	2⅛-2½	6⅞-7	12⅛-12⅝	14½-15½	10⅞-11⅛	6⅞-6⅞

Long-term Eurodollar: two years 9 15/16-10 per cent; three years 10¼-10½ per cent; four years 10¼-10½ per cent; five years 10¼-10½ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

European rates firmer

European short-term interest rates had a firmer tone yesterday. On Wednesday U.S. interest rates increased as the Federal Reserve tightened credit conditions, while several banks increased their prime lending rates.

Rates were generally firmer in Paris and Brussels yesterday, although both centres were closed on Wednesday for Assumption Day. The shorter term Frankfurt rates were also slightly higher, with longer rates unchanged.

PARIS — Call money was unchanged at 10¼ per cent, but one-month increased to 10 7/16-10 11/16 per cent from 10½-10¾ per cent; three-month to 10⅝-10⅞ per cent from 10⅜-10⅝ per cent; six-month to 10 11/16-10 15/16 per cent from 10½-10¾ per cent; and 12-month to 10¾-11 per cent from 10 11/16-10 15/16 per cent.

BRUSSELS—Deposit rates for the Belgian franc were firmer, with one-month rising to 12-12¼ per cent from 11 15/16-12 3/16 per cent on Tuesday; three-month to 12-12¼ per cent from 11 13/16-12 1/16 per cent; six-month to 11½-11¾ per cent from 11 7/16-11 11/16 per cent; and 12-month to 10⅝-10⅞ per cent.

FRANKFURT — Call money was quoted at 6.90-7.00 per cent, compared with 6.80-7.00 per cent previously, while one-month rose to 6.85-6.95 per cent from 6.80-6.90 per cent. Three-month funds were unchanged at 7.10-7.20 per cent; six-month at 7.35-7.45 per cent, and 12-month at 7.40-7.50 per cent.

AMSTERDAM — Call money rose to 8¾-9 per cent from 8½-8¾ per cent, and one-month to 9¼-9½ per cent from 9-9¼ per cent. Three-month funds were quoted at 9¼-9½ per cent, compared with 9½-9¾ per cent, and six-month at 9½-9¾ per cent, compared with 9½-9¾ per cent.

HONG KONG — The money market was tight in the morning, but conditions eased in the afternoon. Call money was quoted at 12 per cent, and overnight at 10¾ per cent.

NEW YORK — The Federal Reserve added liquidity to the banking system by way of repurchase orders, with Federal funds at 11 1/16-11⅛ per cent, tending to confirm that the probable target rate for Fed funds is 11 per cent, following the tightening of credit by the authorities this week.

GOLD

Weaker tendency

Gold fell $2 to close at $297¾-298¼ in active trading. The market remained very nervous, moving sharply up and down between a low point of $296-296½ and a best level of $299-299½. The metal opened at $298-298¾, and was fixed at $296.50 in the morning and $297.85 in the afternoon.

	Aug. 16	Aug. 15
Gold Bullion (fine ounce)		
Close	$297¾-298¼ (£134-134.35)	$299¾-300½ (£134.2-134.6)
Opening	$298-298¾ (£133.35-33.85)	$301¼-302 (£135-135.4)
Morning fixing	$296.50 (£132.484)	$300.25 (£134.268)
Afternoon fixing	$297.85 (£133.356)	$301.85 (£134.694)
Gold Coins, domestically		
Krugerrand	$306¾-308¾ (£138-139)	$308½-310½ (£138-139)
New Sovereigns	$76¾-78¾ (£34½-35½)	$77¼-79¼ (£34½-35½)
Old Sovereigns	$102½-104½ (£46-47)	$101¾-103¾ (£45½-46½)
Gold Coins, internationally		
Krugerrand	$306¾-308¾ (£138-139)	$308½-310½ (£138-139)
New Sovereigns	$76¾-78¾ (£34½-35½)	$77¼-79¼ (£34½-35½)
Old Sovereigns	$102½-104½ (£46-47)	$101¾-103¾ (£45½-46½)
$20 Eagles	$410-415	$414-419
$10 Eagles	$232-237	$236-241
$5 Eagles	$175-180	$179-184

In Paris, the 12½-kilo bar was fixed at FFr 43,000 per kilo ($313.49 per ounce) in the afternoon, compared with FFr 43,000 ($313.58) in the morning, and FFr 42,400 ($309.39) at the Tuesday fixing.

In Frankfurt the 12½-kilo bar was fixed at DM 17,600 per kilo ($298.98 per ounce), compared with DM 17,660 ($300.16) previously.

UK MONEY MARKET

Adequate credit supply

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

Day-to-day credit was in good supply in the London money market once again yesterday, and the authorities did not intervene for the second day running. Banks brought forward small surplus balances, there was a modest excess of Government disbursements over revenue payments to the Exchequer, and also a modest fall in the note circulation. On the other hand the market was faced with a drain in liquidity due to a small number of local authority bills and bank bills maturing in official hands, and settlement of gilt-edged sales.

Discount houses paid 13½-13¾ per cent for secured call loans in the early part, and although money was picked up at 17½ per cent, closing balances were in the region of 14 per cent.

In the interbank market conditions were very tight in late trading, with overnight money touching 18 per cent, before closing at around 15 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Aug. 16 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	13⅛-18	—	—	—	13¼-13½	12⅞-14	—	—	—
2 days notice	—	—	13¾-14⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	13¾-14	14-14¼	—	14½	14¼	13⅞	—	—	—
One month	14⅛-14	13⅞-14⅛	14-14¼	14⅞-14⅝	14½	14⅛	13⅞	13⅛-13¼	14⅜	14⅝
Two months	14 1/16-13 15/16	13⅞-14⅛	—	14⅛-14¼	14⅛	—	13¾	13⅞	14 1/16	14½
Three months	14-13⅞	13⅞-14⅛	14 1/16-14⅛	14⅛-13⅞	14⅜	14⅛	13⅝	13 7/16-13 9/16	13¾	14⅜
Six months	13¾-13⅝	13⅝-13⅞	13⅝-13¾	13-13¾	13⅞	—	—	—	13⅝	14
Nine months	12 13/16-12 11/16	12 11/16-12 15/16	—	13-12¾	13¼	—	—	—	—	—
One year	12 11/16-12 9/16	12⅝-12⅞	12¾-13	12⅛-12¼	13	—	—	—	—	—
Two years	—	—	12¾-13	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 12¾-13 per cent; four years 12¾-13 per cent; five years 12¾-13 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅝ per cent; four-month trade bills 14 per cent.

Approximate selling rate for one-month Treasury bills 13 5/16 per cent; two month 13 7/32 per cent; three-month 13 7/32 per cent. Approximate rates for one-month bank bills 13 25/32 per cent; two-month 13 11/16 per cent and three-month 13½ per cent; one-month trade bills 14½ per cent; two-month 14⅜ per cent; and three-month 14⅛ per cent.

Finance House Base Rates (published by the Finance Houses Association) 14 per cent from August 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.2760 per cent.

MONEY RATES

NEW YORK	
Prime Rate	11.75-12
Fed Funds	11-11⅛
Treasury Bills (13-week)	9.55
Treasury Bills (26-week)	9.48
GERMANY	
Discount Rate	5
Overnight Rate	6.95
One month	6.90
Three months	7.15
Six months	7.40
FRANCE	
Discount Rate	9.5
Overnight Rate	10.5
One month	10.625
Three months	10.8125
Six months	10.875
JAPAN	
Discount Rate	6.25
Call (Unconditional)	5.75
Bills Discount (three-month)	7.0625

Private Placement
July 1979

ESTEL

ESTEL NV Hoesch-Hoogov

Nijmegen/Netherlands

DM 50,000,000

7¾% Bearer Notes of 1979

Deutsche Bank
Aktiengesellschaft

Algemene Bank Nederland N.V. Amsterdam

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What does the future hold for Korea?

Will the development momentum be maintained? What are the problems and potentialities of doing business in Korea? What is the view of the world financial markets on the outlook for the developing industrial countries?

These and many other questions will be examined and discussed at 'Korea in the 1980's' a conference to be arranged in Seoul on September 12 & 13, 1979 by the Financial Times and the Korean Traders Association.

Among the speakers will be Minister Hyon-Hwack Shin, Deputy Prime Minister and Minister of Economic Planning, Seoul; Sir Roy Denman KCB, CMG, Director General, External Relations, Commission of the European Communities; Minister Kim Won Ki, Minister of Finance, Seoul; The Hon William Gleysteen Jr, United States Ambassador to Korea; Mr Choong Hoon Park, Chairman and President, Korean Traders Association; Professor Noritake Kobayashi, Keio University, Japan.

If you, or your company, have interests in Korea, 'Korea in the 1980's' will give you a most useful insight into the future of th- important area.

For full details of the registration procedure, and return the coupon be. without delay.

KOREA IN THE 1980's

To: The Financial Times Limite. Conference Organisation, 'KOREA IN THE 1980's', Bracken House, 10 Cannon Stre London EC4P 4BY.

Please send me full details of your Conference: 'Korea in the 1980's'.

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A FINANCIAL TIMES CONFEREN

INTERNATIONAL COMPANIES and FINANCE

...sts further loss

...Japanese com... ...tronic equipment ...Hitachi, revealed ...it is to cut back ...pply of large com... ...at the request of ...pany. ...d been expected to ...with about 90 large ...hich Itel markets ...own brand name. But ...tood that the order ...ut to around one-third ...originally planned. ...back is attributed to ...ced by IBM to intro... ...series of large ...to counter the ...les campaigns by

Japanese manufacturers in the U.S.

As a result of the request from Itel, Hitachi's computer exports to the U.S. are expected to suffer a significant reduction this year.

A loss of $9.5m on discontinued operations brings the total loss for the quarter to $60.2m, right in line with the most recent forecasts from Itel.

The company yesterday predicted another loss for the third quarter and for the full year. It was unable to estimate the size of the anticipated losses.

Itel also said that it had made significant progress in resolving its problems and was confident of returning to profitability, but it could not say when the losses would stop.

The company's banks have agreed to provide it with $67m in additional borrowings to meet near-term working capital needs.

For the first six months, Itel has now reported a loss of $41.1m from continuing operations, and a further loss of $25.8m from discontinued operations, making a total loss of $50.1m. In the comparable period of last year, net income was $16.8m or $1.39 a share. Sales for the half-year have risen from $234.3m to $347.3m.

...terest costs hit Bow Valley

...NANCIAL STAFF

...of the Calgary... ...Industries for ...of the current ...ell from $7.12m ...ving a substan... ...erest expenses. ...y, which provides ...and services princi... ...the mining, petroleum ...and forest products industries. ...ects interest costs for the ...second half to be much lower, ...partly because it used the pro... ...ceeds of a recent $26m common ...share issue to reduce its debt ...burden, and partly because it ...expects interest rates to mode... ...rate.

Earnings per share for the period fell from 70 cents to 42 cents, while sales were higher at $118.4m compared with $108.7m. The rise in sales was mainly attributable to the company's coal and oil well drilling operations. Interest charges rose from $8.9m last year to $15.3m.

Cash flow for the period reached $20.94m or $2.02 a share, up from $19.93m or $2.05 in the corresponding period of last year. Bow Valley expects substantially increased cash flow during the second half, and forecasts that earnings will be comparable with last year. Full year 1978 earnings were around $12m.

Gas production and coal sales are expected to improve in the second half. First commercial production from the Arzanah field off Abu Dhabi should begin in September.

In the British sector of the North Sea, Bow Valley is to drill an exploratory well in a block adjacent to the Brae field, and two or possibly three appraisal wells in Central and North Brae.

The company has submitted its development plan for a 112,000 barrel per day facility for South Brae to the Government. Production from the facility, which will cost $1.3bn, is expected to begin early in 1983.

Harris expects record profits

NEW YORK — Harris Corporation expects to report that profits for the fourth quarter and the year ended June 30, will both set records by rising more than 20 per cent over the previous peak earnings reported in the comparable periods of last year, said Mr. Joseph A. Boyd, chairman and chief executive.

He stopped short of forecasting an increase in the dividend rate, but said that if the directors continue their traditional policy of paying 30 per cent of the previous year's earnings—which he said they have no reason to change — Harris' annual payout rate should rise to 72 cents a share from 60 cents.

For the fourth quarter, the maker of communications and information processing equipment will report net income of about $19.9m or 72 cents a share, up 22 per cent from the 1978 fourth quarter profit figure. Sales for the quarter should total about $270m, a gain of 6 per cent.

For the year, Harris expects to report net income of some $63m or $2.45 a share, 21 per cent higher than last year. Sales have jumped by about 12 per cent to $980m.

The company's backlog at June 30 stood at about $700m, up about 17 per cent.

Demand continues to grow in all the company's business segments except the communications group, which showed a decline primarily because satellite communications sales have been hurt by "the political turmoil in the Mid-east," including Iran. The company's other groups are information systems, integrated circuits — semiconductors — government systems and printing equipment.

In fiscal 1980 "we're going to start out with a strong first quarter" and, "assuming no catastrophic change in the economic outlook, we expect sales and earnings to be greater than this year's," Mr. Boyd said.

Harris is "geared up" for earnings growth somewhere between 10 per cent and 18 per cent in 1980. "We're moving ahead cautiously but we're moving at full speed."

In fiscal 1979 Mr. Boyd said that the semiconductor group performed at a rate "somewhat higher than the world semiconductor market," showing an 80 per cent increase in earnings on a 40 per cent increase in sales over fiscal 1978. While the semiconductor industry is regarded as especially vulnerable to economic cycles, Mr. Boyd is optimistic about Harris's performance in that field for 1980.

He also expressed optimism for the 1980 outlook for the company's printing equipment business, which is sometimes cyclical.

Agencies

Marketing costs trim profits at Clorox

By Our Financial Staff

A SUBSTANTIAL increase in marketing expenditures for new products is blamed for a decline in fourth quarter profits of Clorox, the Oakland-based household products and food group.

Net earnings were $8.24m or 36 cents a share against $9.86m or 43 cents a share previously, lowering the annual profit from $36.67m ($1.55 a share) to $29.32m ($1.30 a share).

Fourth quarter sales were $152.7m, against $138.7m previously, making $565.4m for the year, compared with $465.8m for 1978.

Commenting on the increased marketing expenditures, the directors of the group said they would represent a key source of future growth for the company.

They added that earnings from Kingsford Charcoal were down significantly in the fourth quarter due to the independent truckers' strike.

Reeves ahead

Earnings at Reeves Brothers, the textile group, rose last year from $12m or $4.72 a share to $19.6m or $7.71 on sales of $336.9m against $39.1m, reports AP-DJ from New York. The dividend is increased from 45 cents to 50 cents a share.

Bankers Trust sale

Bankers Trust New York confirmed its sale of 55 branches to Barclays Bank of New York, National Bank of North America and Bank Leumi Trust of New York, Reuter reports from New York. Assuming no substantial change in deposits when sales are completed in 1980, the three banks would pay a premium on deposits before taxes and expenses of more than $50m. Discussions with other banks about the sale of more branches are proceeding satisfactorily....

Kerkorian ruling

A Federal district court judge has ruled in favour of the financier Mr. Kirk Kerkorian in the U.S. Justice Department's civil anti-trust suit against him, agencies report from Los Angeles. The judge said that the Department did not prove that Mr. Kerkorian had violated anti-trust laws by acquiring 25 per cent of Columbia Pictures Industries while retaining 48 per cent ownership of Metro-Goldwyn-Mayer. Mr. Kerkorian had stated that the purchase of Columbia stock by him and his Tracinda Investment Corporation was solely as an investment. The Justice Department is to appeal.

Ford Motor optimistic on sales prospects for 1980

BY JOHN WYLES IN NEW YORK

PUBLICLY AFFIRMING that the U.S. new car market was recovering from its recent slump, Ford Motor Company yesterday predicted a modest 1.8 per cent decline in 1980 model sales and a 16.8 per cent rise on deliveries of its own new big luxury cars.

Ford's optimism bobbed to the surface yesterday amid indications that its struggling rival, Chrysler Corporation, will announce tomorrow an unusual sales programme aimed at shifting its vast stocks of unsold vehicles. Based on cash rebates for customers for its cars and trucks, the Chrysler plan may well force General Motors and Ford to follow suit in the expenditure of tens of millions of dollars.

Although all of the Big Three are delaying the showroom introduction of their 1980 models until the second week of October, Ford was the first yesterday to offer the public a view of one of its new lines. It unveiled at its headquarters at Dearborn, Michigan, a new line of scaled down and lightened luxury Lincoln-Mercury vehicles, whose sales have recently been badly hit by the petrol crisis.

But the new models are expected to deliver 16 mpg in city driving and 23 mpg on the highway, compared with the 12 mpg and 17 mpg of their immediate predecessors. As a result, Ford is expecting to sell 180,000 units of the new big cars, compared with an estimated 154,000 in the current model year.

Model years run from October to the end of the following September, but their sales total usually approximates those of the normal calendar year. Mr. William O'Bourke, Ford executive vice president for North American Auto Operations, yesterday forecast that the industry as a whole, including imports, would sell around 10.5m units in the 1980 model year, compared with an anticipated 10.7m units in the current year.

Ford's forecast is on the high side of private analysts' forecasts, but it is substantially more pessimistic than the view from General Motors, which foresees a 1.9 per cent increase in sales from an anticipated 10.8m in the current model year to 11m in the 1980 selling period.

Chrysler has yet to offer its projections, and is currently deeply preoccupied with the need to get rid of a vast backlog of 80,000 1979 cars and trucks before thinking seriously about next year. Over the past two days, the company has unveiled its emergency sales plans at 22 regional meetings with dealers and, as expected, it intends to trail a cash carrot in front of potential customers.

This would mean that a purchaser of a Chrysler vehicle would negotiate the best deal obtainable from a dealer, but would then be able to claim a cash rebate from the manufacturer.

Chrysler is expected to confirm today whether this will be as much as $400.

This scheme was last tried in 1975, and boosted Chrysler's sales by 36 per cent over a four-month period. Within a month of its introduction, both GM and Ford started their own versions, which pushed up their sales by about 18 per cent.

Ryder sees currency deficit

NEW YORK — Ryder System expects a foreign currency translation loss of about $500,000, compared with a gain of $787,000, and reduced business for its automotive carrier division, to affect third quarter earnings, according to Mr. Anthony Burns, vice-president-finance.

A downturn in car sales is beginning to affect the carrier division, which will be marginally profitable at best in the current quarter, Mr. Burns said.

In last year's third quarter, Ryder earned 72 cents a share on revenues of $236.8m. This year's second quarter saw earnings fall to $1.11 a share from $1.15 a year earlier.

In the second quarter profit margins for the automotive carrier division fell to 6.5 per cent from 11.1 per cent a year earlier and operating profits dropped by 36 per cent to $4.4m.

Mr. Burns noted that the carrier division hauls about 28 per cent of all vehicles produced by General Motor, 25 per cent of Chrysler Corporation production, and 60 per cent of Volkswagen of American production.

GM and Chrysler are experiencing lower sales levels, but rising demand for Volkswagen cars is a "bright spot" for Ryder.

Ryder Truck Rental, the company's largest division, had a 62 per cent increase in sales for the first six months and hopes to retain this new business.

Ryder officials said the company changed its truck rental contracts on July 1 in order to pass on the total cost of diesel fuel to new customers.

They noted that the truck rental division is using 20 per cent more fuel than a year ago and the price rose to 76 cents a gallon in July from 56 cents in January.

The company is buying 78 per cent of its diesel fuel from major oil companies at "reasonable prices" and the rest on the spot market, they said.

The truckstop division, hit in the second quarter by fuel shortages and a strike by independent truckers, has rebounded strongly since June, and the parcel delivery service, which weakened in June, is experiencing a pick-up in business now, they said.

Reuter

CREDIT LYONNAIS

1978 FINANCIAL YEAR

...characterised by a slow down in economic growth, limited investments and a substantial hardening of competition, ...Lyonnais achieved satisfactory results, although profits were lower than those of the preceding financial year.

ACTIVITIES IN FRANCE

...THE SERVICE OF ...

The main part of the expenditure on properties was ...ted to improving customers' reception areas and security ...in many branches. In the field of quality and speed ...service, a number of branches were fitted with up-to-date ...computer equipment under the modernisation programme. ...In addition, following the strengthening of regional management during the preceding financial year, various reorganisations took place in Paris to enable a greater number of ...branches to provide business customers with qualified experts ...and services of a high technical standard, thus increasing the ...processing capacity and the quality of the services provided.

... PRIVATE INDIVIDUALS ...

Facilities granted to private individuals increased substantially in 1978: plus 14.8% compared to less than 5% in 1977.

In regard to house purchase, besides its efforts to benefit ...holders of accounts linked with house purchase savings schemes (the volume of main and supplementary loans rose by nearly 45%), the Bank did everything in its power to enable its customers to derive the maximum benefit from the new State measures to facilitate house purchase.

Furthermore, in order that its customers could benefit better from the legal provisions directed at channelling private savings towards investment in industry, Crédit Lyonnais issued a new Trust Unit called "Sicav 5000" which proved extremely successful.

... AND COMPANIES

As far as companies are concerned, the Bank's continued policy of promoting exports was actively pursued, particularly with regard to medium or small concerns, be it in the field of information, services (whose range has been further diversified) or conventional financing.

Present economic conditions have created problems both for expanding and contracting companies, but, generally speaking, the Bank endeavoured to assist either by providing finance or by arranging suitable acquisitions or mergers.

WORLDWIDE ACTIVITIES

During 1978, further additions were made to Crédit Lyonnais' already worldwide network. Foreign branches ...with new offices in Brussels, Barcelona, Milan, San Francisco, Hongkong, Seoul, now number more than fifty ...covering all the major industrial countries in Europe, as well as the United States and Japan. In other parts of the world, ...Africa and South America, where links were forged ...long time ago, the Bank was particularly active by means of ...its subsidiaries and associated banks.

As in previous years, the Bank's subsidiaries specialising in hire-purchase, real estate and investment management, plus the joint services of the Europartners Group enabled its customers, both private individuals and companies, to benefit from an extended range of services anywhere in the world.

Expressed in terms of average capital, customers' resources abroad reached a total 27.5% higher than in 1977, whilst the volume of customers' utilisations increased by 15.9%.

BALANCE SHEET: + 26%

...ss with customers and banks in ..., and the Bank's own money market ... Balance Sheet increase of 26.2% for ...ed in terms of daily average, the volume ...ed at a slower rate: 7.5%.

...ed at a slower rate ...ing income amounted to Frs. 7,448 million. ...However, overheads rose at a higher ...%. ...the provisions for doubtful debts, although ...ar, were again high: Frs. 618 million. The ...ed to Frs. 230 million, as against Frs. ...7, but it has to be borne in mind that ...exceptional amounts levied against financial ...1978 accounts supported a charge of Frs. 78 million.

On May 31st, 1979, the Shareholders' Meeting adopted the accounts and decided to allocate the whole of the profit to reserves.

The 1978 accounts also reflect the result of the revaluation of fixed assets, in accordance with the Finance Acts of 1977 and 1978.

On the whole, taking into account the revaluation, and the fact that profit was transferred to reserves, the Bank's own resources on 31st December, 1978, amounted to Frs. 4,181 million instead of Frs. 1,652 million.

The working capital rose from Frs. 1,021 million in 1977 to Frs. 1,033 million in 1978.

CONSOLIDATED BALANCE SHEET

TOTAL VALUE 308 BILLION FRANCS

At 31st December, 1978, the consolidated balance sheet of Crédit Lyonnais and companies of the Group totalled ...308,383 million. Customers' deposits with the group amounted to Frs. 132,527 million, whilst credit facilities granted reached Frs. 130,092 million. The Group's own resources of Frs. 4,544 million reflected the effect of ...tion of fixed assets. The 1978 consolidated profit amounted to Frs. 350.3 million, a reduction of 22.8% from last year.

ASSETS	Credit to customers 130,092	+	Transactions with Banks and Money Market Operations 144,928	+	Sundry Transactions 33,363 (unchanged)	=	Total 308,383
...ITIES	Customers' deposits 132,527	+	Transactions with Banks and Money Market Operations 141,507	+	Sundry Transactions 34,349	=	Total 308,383

Copies of the Annual Report are obtainable from:
CREDIT LYONNAIS (Public Relations), 19 Bd. des Italiens, 75002 PARIS

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هكذا من الأصل

INTERNATIONAL CAPITAL MARKETS

Quiet day for Eurobonds

By Francis Ghilès

ALL MAJOR sectors of the Eurobond market were quiet yesterday with the exception of the sterling sector where some dealers reported good two-way business.

Trading volume was low in the dollar sector. The increase in the six month London interbank rate by ⅛ of a point to 11⅞ did not put up the price of FRN issues as is usually the case when interest rates harden.

The $75m floating rate note for Williams and Glyn's Bank is expected to be launched by Credit Commercial de France later today. The 12-year bullet issue will include an interest rate of ¼ per cent over the six month Libor rate with a minimum coupon of 5¼ per cent.

In the Deutsche-Mark sector, prices of foreign bonds posted slight gains on the day.

Czech loan increased

By John Evans

THE MEDIUM-TERM Eurocurrency loan currently being arranged for the Czechoslovakian Foreign Trade Bank has been raised in amount to $250m from the original $200m after the completion of the syndication operation.

The 10 year credit, via a banking group led by First Chicago Ltd, carried a margin of ½ per cent for the first five years, and ⅝ per cent thereafter.

Elsewhere, a $307.2m unsecured loan for the Philippine Long Distance Telephone Company has been completed by a banking group headed by European Asian Bank as lead manager.

The credit is the largest single unguaranteed facility so far arranged for a non-government entity in South East Asia.

It carried margins over interbank rates ranging between 1 and 1¼ per cent. The proceeds will be used for modernisation of the Philippines telephone network.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on August 16

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	97⅛	86½	−0½	−0¼	10.30
Alex Howden XW 9½ 91	30	80¾	82	−0⅛	−2¼	12.50
Australian Res. 9¾ 84	30	97⅝	98⅛	0	−0⅛	10.19
Avco O/S Cap. 10½ 87	40	96¼	96¾	−0¼	−0¼	10.92
Bayer Int. F. XW 7¾ 89	200	83¾	83⅞	0	+0⅛	9.99
Beneficial Fin. 9¾ 87	100	97¾	98¼	0	−0¼	10.12
CECA 9¾ 84-99	50	93½	94¼	−0¼	−0½	10.88
CECA 10¾ 91	150	97⅞	98⅜	0	0	11.03
Canadian Pacific 9¾ 89	50	86	98⅛	+0½	+0⅛	10.03
Carter Hawley 9½ 86	50	96½	97¼	0	−0¼	10.37
Comalco Inv. E. 10¼ 91	40	99¼	99¾	−0⅛	−0¼	10.32
Continental Grp. 9⅝ 86	100	97⅝	98¼	+0⅛	−0¼	10.06
Dome Petroleum 10 94	50	95⅞	96⅛	0	−0¼	10.52
Dominion Bridge 10½ 84	30	99¾	99⅞	−0½	−0½	10.33
Dow Chem. O/S 9⅜ 94	200	97⅞	97⅞	0	+0⅛	8.83
EIB 9¾ 86	150	99¾	99⅞	+0⅛	−0⅛	9.97
EIB 9⅞ 99	100	100	100½	+0⅛	−0⅛	10.09
EIB 9⅞ 87	150	100⅛	100⅝	−0⅛	−0⅛	10.02
EIB 10 93	150	100⅜	101⅛	−0⅛	−0⅛	10.14
Export Dv. Cpn. 9.85 84	15	100½	101	0	0	8.86
Export Dv. Cpn. 9½ 84	100	96⅞	97⅛	−0⅛	−0⅛	10.04
Finland 9½ 86	100	97¼	97⅞	−0⅛	−0⅛	9.86
Finland 9⅞ 89	100	98¼	98¾	−0⅛	−0⅛	10.13
GTE Finance 9¾ 84	50	97⅝	98⅛	−0⅛	−0⅛	10.07
GTE Finance 9⅜ 89	95	95¾	96¼	−0⅛	−0⅛	10.03
General Motors 9⅛ 86	100	97⅝	97⅞	0	−0⅛	8.76
Gould Int. Fin. 9⅞ 85	50	97⅞	98⅜	−0⅛	−0⅛	10.18
Hoechst Fin. XW 6⅞ 89	125	79	79½	−0⅛	−0⅛	10.17
Hudson Bay Co. 10 84	50	98¾	99½	−0⅛	−0⅛	10.14
ITT Antilles 9½ 89	75	95½	96	−0⅛	−0⅛	10.18
Kennecott Int. 9½ 86	100	94¾	95¼	0	−0⅛	10.58
Manitoba 9⅞ 89	75	96¾	97¼	0	0	10.00
Nat. Gas Telecm. 9⅞ 86	100	97⅝	98⅛	−0⅛	−0⅛	8.90
New Brunswick 9¾ 84	75	95⅞	95¼	−0⅛	−0⅛	10.26
Newfoundland 10 94	50	98¾	99½	0	−0⅛	10.14
Norsk Hydro 9⅜ 94	50	94¼	94⅞	+0⅛	−0½	9.95
Norway 9¾ 84	150	100¼	100¾	0	−0¼	9.87
Norway 9⅞ 84	150	98½	98¾	−0⅛	−0⅛	9.92
Nova Scotia Pwr. 9¾ 89	50	87¼	97⅞	+0⅛	0	10.73
Occidental Fin. 10¼ 84	50	99¼	99¾	−0⅛	−0½	10.40
Orient Leasing 9½ 86	25	95¼	95¾	−1¼	−0⅛	10.44
Pennwalt O/S F. 9¾ 84	25	98⅜	98⅝	−0⅛	−0⅛	10.17
Pepsico Cap. 9½ 84	100	98	98½	0	0	9.71
Portland 10 84	50	97½	98	0	−0⅛	10.61
Quebec Hydro 10 99	75	95¼	95¾	−0⅛	−0⅛	10.54
Redland Fin. XW 9⅝ 91	25	90½	91⅛	0	+0⅛	10.91
Sears Roebuck 9 82	150	97⅝	98⅛	−0⅛	−0½	8.95
Statoil 9¾ 89	100	97	97⅛	0	−0⅛	10.07
Stockholm 9¾ 94	60	99⅛	99⅝	−0⅛	−0⅛	10.05
Sweden 9¾ 89	100	99⅜	98⅞	0	+0⅛	8.96
Sweden 9⅞ 86	200	98⅞	99⅜	0	−0⅛	9.91
Unilever NV 9⅛ 87	100	96¼	96⅝	0	−0⅛	8.90
Warner-Lambert 9 84	100	96¼	97⅛	−0⅛	−0⅛	8.79

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 7½ 89	150	95¾	96¼	+0⅛	0	8.12
Banco Desarrollo 7¼ 86	100	94¾	95⅛	−0⅛	−0⅛	8.28
Barclays O'seas 6¾ 89	100	98¾	99¼	+0⅛	+0⅛	6.89
Brazil 7¼ 87	150	97½	97⅞	0	+0⅛	7.70
Brazil B 87	150	100½	101	−0⅛	−0⅛	7.87
CECA 7 91	150	98¾	98⅞	+0⅛	0	7.19
Copenhagen City 6 90	75	91¼	91¾	0	0	7.14
Council of Eur 7¼ 89	100	89¾	100½	+0⅛	+0⅛	7.28
Denmark 5¾ 85	100	94¾	95¼	+0⅛	+0⅛	8.98
Denmark 6½ 89	100	94¾	94⅞	−0⅛	0	7.30
EIB 6½ 91	200	94⅞	95⅜	+0⅛	+0⅛	7.13
EIB 7½ 89	200	100⅞	101⅜	−0⅛	−0⅛	7.31
Eletrobras-Brazil 7 87	100	97	97½	0	+0⅛	7.48
Eurofima 6½ 89	100	86⅞	99	−0⅛	−0⅛	8.69
Finland 6 83	150	99	99¾	−0⅛	−0⅛	6.18
Mitsubishi Chem. 6¼ 84	70	101	101½	−0⅛	+0⅛	6.14
New Zealand 6½ 87	200	98¼	99	−0⅛	−0⅛	6.48
Nippon Kokan 6½ 84	100	98½	99¼	−0⅛	−0⅛	6.78
Nippon Tel. & T. 5½ 87	100	93¼	93¾	−0⅛	+0⅛	8.62
Nordic Inv. Bk. 6¼ 88	80	96⅞	97	0	+0⅛	6.81
Norges Komm. 7¾ 91	150	103	103½	−0⅛	−0⅛	7.31
Norway 6¼ 84	200	100¼	100½	0	−0¼	6.11
Occidental 6¾ 90	150	94⅛	94¾	+0⅛	+0⅛	7.50
OKB 6½ 88	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB 6 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo Elec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Venezuela	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asian Dev.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aumar 5 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria 3⅞	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia 3¾	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bergen, City	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BNDE 5 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brazil 4¼ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada 3¾	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Council of E	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 4¼ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Heron 4½ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI Fin. NV	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Malaysia 4¾	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nordic Bank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB 3¾ 81	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pfand Ost.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Philippines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sandvik 4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain 4 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Voest-Alpine	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia 5.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland 5.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland 6.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 8 84 SDR	20	96¾	97¼	−0¼	+0¼	9.78
Avco Fin. 10¼ 86 C$	25	95½	95⅞	0	−0¼	11.18
Ex. Dev. Cpn. 10 84 C$	50	98½	98¾	0	−0¼	10.39
Fst. Can. Inv. 10 84 C$	50	96½	97¼	0	−0¼	10.81
Hudson Bay C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R. Bk. Canada C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R. Bk. Canada C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Copenhagen EUA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Komm. Inst. EUA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SDR France EUA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SOFTE EUA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Algemene Bk. Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CFE Mexico Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ned. Middbk. Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Elf Aquitaine FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Euratom FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PSA Peugeot FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Renault FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Saint-Gobain FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Solvay et Cie FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Oil FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Citicorp £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finance for Ind. £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fin. for Ind. £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gen. Elec. Co. £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Indonesia KD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mitsubishi KD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norges Kom. KD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occidental KD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Euratom LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norges Kom. LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oslo, City of LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Solvay, Fin. LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
AFG Fin. Co.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BNOE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Banco di Roma Int.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bco. Nac. Argent.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Banco Prov. BA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Banco Urquijo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bank of Tokyo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bq. Ext. d'Alg.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bque. Indo Suez	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Banque Sudameris	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BNP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Citicorp O/S Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Creditanstalt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GZB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gotabanken	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ind. Bk. Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jugobanka	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LTCB Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LTCB Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mfrs. Han. O/S	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nacional Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nat. West.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Credit Bk.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Credit Bk.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Petro Mexicano	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Privredna Banka	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Royal Bank Scot.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sogenal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Texas Int. Airways	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TVO Pwr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Utd. Overseas Bk.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bq. E. d'Alg. SF	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ciba-Geigy O/S F.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Credit Suisse	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Escotia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Honda Motor	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LPC International	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nitto Elec. Ind.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Union Bk. Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fujitsu DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Konishiroku DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marudai Food DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nissan Diesel DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Olymp. Opt. DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sharp Cpn. DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo Elec. DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo Ld. Co. DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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● NEWS ANALYSIS—GRUNDIG

A symptom of competitive pressure

BY MAX WILKINSON

THE TALKS between Dutch Philips and Grundig, the largest German television producer, are a symptom of the major changes in the world-wide consumer electronics which is likely to continue well into the next decade.

The conventional wisdom is that the changes are brought about by the aggressive marketing and technical excellence of the Japanese manufacturers. They carved out a 40-per cent slice in the U.S. market, before being halted by protectionist measures, and have made big inroads into European consumer electronics.

However, in an important sense, the future pressure will come not from the Japanese, but from the extraordinarily rapid advance of component technology.

The first phase of Japanese expansion in consumer electronics was achieved by a combination of cheap, high quality production, good external design and marketing.

In this contest efficient companies like Grundig could aspire to be the match of the Japanese, and even in the UK, where productivity and reliability were lower, there was no reason in principle to believe that the Japanese need be invincible.

However, in the last few years the face of the industry has changed radically and it will continue to change probably at an accelerating rate. The reason is that the microelectronics techniques, which can shrink a roomful of computers into a chip the size of a postage stamp are now being applied to consumer electronics.

The most obvious result is that the colour television set can be made from fewer more complicated components each year, and therefore represents less added value to the manufacturers.

Since the markets are expanding only slowly, manufacturers must add new features to their sets and develop new products if they are to expand. One consequence for example is that sets will incorporate microcomputers for a variety of different purposes during the next decade.

It is also expected that the television will become just one item in a wide variety of video equipment including video tape recorders and video discs.

The pressure to devise new products can clearly be seen from the recent emergence of the video tape recorder where the lines of battle are most clearly drawn. The expense of development has been so great that only three main systems have achieved success, two from Japan and one from Philips.

Grundig hitched its fortunes to Philips at an early stage. It developed its own version of the Philips system and built a large factory in Nurenberg to produce it.

However, the Philips system paid the penalty of being first on the market. It was outclassed by its Japanese rivals in important respects, so that Philips, extremely worried by the threat, had to pour money into the development of a new system. Grundig naturally had to be brought into this programme, and the two companies will be launching the new machine on to the market this autumn.

Only a company as large as Philips could afford such a rapid change of direction, and it is clear that Grundig would have no chance of taking an entirely independent line in competition in Europe with Philips and the Japanese.

The struggle for a credible slice of the market for video cassette recorders is almost certain to be repeated in the next few years when rival systems of video disc players start to appear in the shops.

For these reasons all consumer electronics companies outside the major groupings will have to take shelter under the umbrella of the research and development of larger companies. The alternative would be merely to take licences for other people's products.

In the UK, the General Electric Company has agreed a joint venture with Hitachi, whilst Rank has thrown in its lot with Toshiba. These operations, added to the UK plants of Sony and Matsushita, give the Japanese a strong foothold in Europe.

With annual research and development expenditures in consumer electronics totalling around $300m a year, these Japanese companies are a force to be reckoned with.

It is no wonder therefore that European companies even as successful as Grundig, are feeling the need to huddle together for protection.

DSM first half loss lower than expected

By Our Financial Staff

RISING SALES combined with a generally less arduous trading background have allowed DSM, the Dutch state-owned chemicals group, to report a lower than expected net loss for the first half of this year.

Losses for the six months to June are Fls 35.6m ($17.5m) compared to a profit of Fls 30.9m. In May of this year DSM predicted losses for the whole of 1979 of between Fls 100m and Fls 200m with the eventual outcome "likely to emerge" closer to the top end of the range.

Sales for the six months are 16½ per cent higher at Fls 6.2bn. Price rises account for six points of the gain but the balance of the increase stems from higher volume.

DSM's operating profit was little changed at Fls 53.0m compared with Fls 56.4m. Raw material prices rose substantially, but the margin between sales prices and raw material costs widened, particularly in the second quarter.

Depreciation and amortisation rose to Fls 286.4m from Fls 197.1m while interest paid rose to Fls 67.3m from Fls 21.3m, mainly due to completion of the new plants. At the same time tax increased to Fls 29.7m from Fls 10.4m as result of higher earnings from some group units and a lower offset for loss making units.

Capital expenditure fell to Fls 282m from Fls 432m, the company said. Looking ahead, DSM added that it was hard to predict how long the present development of supply and demand in some fields of chemical activities will persist.

BASF earnings rise sharply

BY ROGER BOYES IN BONN

BASF, ONE of the three principal West German chemical groups, has recorded a sharp rise in turnover and profits for the first half of 1979, indicating that the industry has at last come out of recession. There is a fear though that oil price rises could eventually lead to a stifling of demand in many chemical sectors.

Group sales were up by 18.2 per cent compared to the first half of 1978, thanks mainly to improved demand in Germany and the rest of Europe. Although no detailed figures were given for the individual subsidiaries, BASF executives made clear that the strength of the Deutsche Mark was still inhibiting sales in the U.S., and that Brazil's high inflation was eating into margins in the Brazilian subsidiary.

Pre-tax profits for the group increased by 58 per cent to DM 847m ($462m) on a turnover of DM 12.56bn ($6.85bn). Pre-tax profits for the parent, BASF AG, grew by 42.4 per cent over the 1978 first half, reaching DM 470m on a turnover of DM 5.83bn. These apparently dramatic increases partly reflect the weakness of the 1978 first half, but BASF executives are none the less confident that 1979 will be a good year and the figures seem to justify the hopes of the BASF chief executive Herr Mathias Seefelder, that sales growth would top ten per cent in 1979.

However there is one major brake on turnover growth: the effect of higher oil and raw material prices which will have their primary impact in the second half. The figures for the BASF parent show that, in general, it has been possible since April to pass on the effects of the oil price rise to the company's customers, at least in some product ranges. But BASF warns that the oil crisis will create a number of imponderables in the rest of this year. Specifically, the fear is that demand for plastics will fall as the effects of the oil crisis percolate through the system.

Hong Kong Telephone surges ahead

By Philip Bowring in Hong Kong

HONG KONG Telephone Company, which has a monopoly on telephone installations and services in the colony, has announced a 32 per cent jump in unaudited after tax profits to HK$116.7m (U.S.$22.6m) for the first half of 1979.

The performance suggests the company is doing better than it anticipated earlier this year. In the annual report Mr. G. R. Ross, the chairman, said the result for the whole of 1979 would be not less than the HK$191.9m earned in 1978.

The company connected its millionth customer to the system last year and, since then has been expanding its network, particularly in the New Town areas. It has also been marketing new equipment such as announcing/recording machines, call diverters, auto-diallers and loud-speaker attachments.

Hong Kong Telephone operates under a scheme of control, introduced in 1975, that allows the company at most a 15 per cent return on shareholders funds. Any profits in excess of the agreed amount are placed in a development fund.

Property group beats forecast

BY JAMES FORTH IN SYDNEY

LEND LEASE Corporation, a major property development group, fulfilled the directors' forecast of 1978-79 profits "not less than A$17m" (US$19.2m), and has sharply lifted the dividend as a result. Earnings rose by 16.6 per cent from A$15.0m to A$17.5m.

Earnings per share edged up from 29 cents to 30.3 cents on capital increased by a one-for-five rights issue last year. However, the directors have increased the dividend payment from 12.5 cents to 15 cents a share.

The result lagged behind the growth in sales, which rose 33 per cent from A$252m to A$335m. The directors noted that the drop in margins was principally due to the accounting policy of bringing profits to accounts only on completion of projects, an effect accentuated in a year of renewed revenue growth.

The Board revealed that the Lend Lease-sponsored International Income Property Inc. had completed its acquisition of the Park City shopping centre in the U.S. after IIP's recent public share offering.

The response to the issue was sufficient to give it access to the counter listing. Lend Lease held 60.3 per cent of IIP's capital at balance date, of which 11.8 per cent is held for long term investment and 48.5 per cent for ultimate resale to investors.

The directors said that the cash or near cash financial resources of the group totalled A$90m.

* * *

ACMIL, a building, plastics and ceramics group, boosted profit by 24 per cent from A$11.8m to a record A$14.6m (U.S.$16.5m) in the year to June 30. The profit improvement outpaced sales which rose 16 per cent to A$270m. (The directors also announced that Acmil had moved into the U.S. market with the A$8m acquisition of Kimtruss Corpn., a roof truss manufacturer in California.

The result lifts earnings per share from 10.3 cents to 12.1 cents but the dividend remains at 5.25 cents.

The directors said that the principal contributors to the result were the moulded products, ceramics and glass, and shopfitting groups in Australia.

Acmil's fixed assets have been increased by A$17.5m following a revaluation of the group's properties. The directors said this was the normal four-yearly review and was not a precursor to a free issue to shareholders.

German bank acquisition

MUNICH—Bayerische Hypotheken und Wechsel-Bank has acquired 25 per cent of the capital of Dortmund mortgage bank, Westfaelische Hypothekenbank. The bulk of the shareholding—over 24 per cent—was acquired from Bank Cantrade AG, a subsidiary of Schweizerische Bankgesellschaft which purchased the shares in 1977.

Schweizerische Bankgesellschaft sold the shares because "there is no immediate prospect of foreign shareholders gaining from tax benefits granted under the reform of West German corporation tax law."

Reuter

Quadrupled result from Inchcape BHD

By Georgie Lee in Singapore

AFTER two years of sharply declining profits, Inchcape Berhad, the Far East trading subsidiary of Inchcape Corporation of the UK, has staged a recovery.

For the half year ended June, 1979, group pre-tax profit soared to S$23.4m (U.S.$10.9m), more than four-and-a-half times the S$5.1m earned in the first half of 1978 and surpassing the 1978 full year pre-tax profit of S$14.6m.

Also heartening to shareholders was the absence of extraordinary losses. Instead there was an extraordinary gain of S$300,000. Inchcape last year was hit by extraordinary losses of almost S$15m resulting from the November, 1978, devaluation of the Indonesian Rupiah. This dragged the group into the red to the tune of S$10.5m at the after tax attributable level.

The recovery was forecast in his last annual report by Mr. D. R. Davies, who took over as chairman of Inchcape Berhad in April last year after having been managing director of Anglo-Thai Corporation.

Announcing the interim figures Mr. Davies said that the improved performance was the result of the benefits arising from the rationalisation of certain of the group's activities, action taken to deal with previous loss-making activities and better margins being obtained in other areas of its operations. The recovery was also aided by the improvement in the timber market.

Inchcape is mainly involved in general merchandising, timber extraction, sawmilling, and motor vehicle distribution in Singapore, Malaysia and Indonesia. It holds the agency rights for Toyota vehicles in Singapore and Malaysia.

Mr. Davies has forecast that the profit level achieved in the first half year will be maintained in the second half of the current year.

Inchcape Berhad's gross dividend was trimmed from 10 per cent in 1977 to 3 per cent last year. But with the strong recovery, it is thought that the group will return to paying a 10 per cent dividend this year.

Small gain by QHS

BY JIM JONES IN JOHANNESBURG

QUINTON HAZELL SUPERITE (QHS), the South African motor components manufacturer whose ultimate holding company is Burmah oil, continues to be affected by the sluggish domestic motor vehicle market.

For the six months to June 30 1979, turnover is reported as R13.6m (U.S.$16.2m) compared with R13.1m in the corresponding period of 1978 and R25.4m for the whole of last year. At the pre-tax level, first-half profit advanced marginally to R182 000 compared with R179 000.

Mr. Maurice Kirby, the chief executive, is cautiously optimistic on prospective second-half results. He expects a drop in sales to the motor sector, but feels that improved production methods and cost reductions will allow the group to maintain profitability.

This advertisement appears as a matter of record only.

Banco de Chile

U.S. $35,000,000

Banco de Chile

(a banking institution incorporated as a stock corporation in the Republic of Chile)

Floating Rate Notes due 1986

Manufacturers Hanover Limited

American Express Bank International Group — Banque Nationale de Paris

Chemical Bank International Group — Commerzbank Aktiengesellschaft

Continental Illinois Limited — Creditanstalt-Bankverein

Libra Bank Limited — N. M. Rothschild & Sons Limited

Société Générale

July, 1979

This announcement appears as a matter of record only.

MAURITIUS

US$ 50,000,000

Medium Term Project Linked Loan

Arranged by:

Crédit Agricole · Gulf International Bank B.S.C.

Managed by:

American Express Bank – International Group –

Banque de la Société Financière Européenne – SFE Group –

Banque Internationale à Luxembourg S.A.

Crédit Agricole

Gulf International Bank B.S.C.

The Hongkong and Shanghai Banking Corporation

London & Continental Bankers Ltd.

State Bank of India

Co-managed by:

Citicorp International Group

Provided by:

American Express International Banking Corporation · Bank of India, Paris Branch

The Bank of Tokyo, Ltd. · Banque Arabe et Internationale d'Investissement (B.A.I.I.)

Banque Commerciale pour l'Europe du Nord (Eurobank)

Banque Française du Commerce Extérieur · Banque Internationale à Luxembourg S.A.

Banque Nationale de Paris – Intercontinentale – · Citibank, N.A. · Crédit Agricole

Gulf International Bank B.S.C. · London & Continental Bankers Ltd. · Mercantile Bank Ltd.

Orion Bank Limited · Société Centrale de Banque

Société Financière Européenne Finance Company N.V. – SFE Group –

Société Générale de Banque S.A. · State Bank of India, Bahrain · UBAF Bank Limited

Agents:

Crédit Agricole · Gulf International Bank B.S.C.

This announcement appears as a matter of record only.

July, 1979

U.S. $22,000,000

Europistas, Concesionaria Española, S.A.

Madrid

Medium Term Loan

Managed by

Credit Suisse First Boston Limited — The Taiyo Kobe Bank, Ltd.

PKbanken International (Luxembourg) S.A.

Funds provided by

Alahli Bank of Kuwait K.S.C. — Bank of British Columbia

Credit Suisse First Boston Limited — Kredietbank N.V.

The National Bank of Kuwait S.A.K. — PKbanken International (Luxembourg) S.A.

Scandinavian Bank Limited — The Taiyo Kobe Bank, Ltd.

Agent Bank

Credit Suisse First Boston Limited

Profit-taking curbs fresh early Wall St. rise

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—32½% (32¼%)
Effective $2.2220 13¼% (13¼%)

IN A very heavy trade yesterday morning, Wall Street took Wednesday's strong advance a stage further at the outset before running into profit-taking to leave mixed price changes on balance at mid-session.

The Dow Jones Industrial Average, up 9 points the previous day at a new peak for the year of 885.84, improved 3.15 more

Closing prices and market reports were not available for this edition.

at 10.30 am before coming back to 887.54 at 1 pm to leave a fresh net gain of 1.70. The NYSE All Common Index was 2 cents harder at $61.70, after reaching $61.87, while declines slightly outscored gains at mid-session. Volume swelled to 36.25m shares from Wednesday's 1 pm level of 28.25m.

Analysts had expected investors to grow hesitant ahead of the weekly money supply figures, due to be announced after the stock market close.

A Prime Rate of 12 per cent, the highest since the 12 per cent of 1974, is gradually becoming industry-wide following Chase Manhattan Bank's move on Wednesday. However, signs of a tough monetary policy by new Federal Reserve chairman Mr. Paul A. Volcker is expected to aid the dollar and help in the fight against inflation.

Exxon eased ¼ to $53⅜. Lawyers for the Federal Trade Commission and Exxon met with Federal Judge John Pratt and then left still in disagreement over Exxon's bid to buy **Reliance Electric**, which advanced 1½ to $64¼.

Supermarkets **General** eased ¼ to $19½ after stating that it is not now engaged in any merger negotiations.

Household Finance gained ¼ to $21½. The company said it has raised its offer to purchase all the outstanding Common of Wien Air Alaska to $6.50 a share from $6. Wien, on the over-the-counter market, rose to $6⅜ bid from $6½.

Washington National moved ahead 3¼ to $37½.

RCA gained ⅞ to $27⅞. It has raised optional retail prices on nine of its 1980 model colour televisions and cut prices on three others.

THE AMERICAN S.E. Market Value Index was a net 0.98 higher at 209.09 at 1 pm, after touching 209.44, with volume a substantial 3.71m shares (3.46m).

A number of Energy issues were strong again. **Mitchell Energy** climbed 1⅞ to $30⅞, **Total Petroleum (North America)** 1½ to $22¾, **Canadian Superior Oil** 2¼ to $127¾ and **Dome Petroleum** ½ to $39.

Volume leader **P and F Industries** lost ⅜ to $2⅜. Trading was halted all day Wednesday when it reiterated that there were a number of significant conditions to be met before it could complete a proposed merger with Jockey Club Casino.

Canada

Featured by renewed vigour in the Oils sector, shares mostly made further progress in extremely active early conditions yesterday. The Toronto Composite Index moved ahead 7.9 more to 1,608.6 at noon, while the Oils and Gas index was 40.0 stronger at 2,827.5. Metals and Minerals rose 8.2 to 1,370.6 and Banks 0.21 to 325.69, but Golds receded 15.6 to 1,790.8.

Gulf Canada, the most active stock on 77,313 shares, were unchanged at C$65¼ after rising 7¼ on Wednesday on news that a well off Labrador in which it is participating has produced hydrocarbons.

Tokyo

Although shares displayed an overall downward tendency yesterday, some sectors continued to perform strongly, especially the Oils group, and the Nikkei-Dow Jones Average improved 19.41 to a new record peak of 6,443.56.

The Tokyo SE index was a marginal 0.16 harder at 453.41, while turnover was a reasonable 300m shares, but down from Wednesday's 400m. Declining issues on the First Market section outnumbered gains by 320 to 217.

Oils and Mineral Resources stocks continued to move ahead on growing hopes for the joint development of oil in the East China Sea. **Nippon Oil** rose Y20 to Y1,660, **Arabian Oil** Y70 to Y3,930 and **Toa Nenryo** Y50 to Y1,100.

Trading Houses and Machinery Manufacturers advanced through the day, with **C. Itoh** climbing Y13 to Y378 and **Mitsui** Y8 to Y330.

Large-capital issues, strong on Wednesday, closed lower yesterday on late profit-taking, while export-orientated Light Electricals and Motors generally remained in easier mood. Sony receded Y20 more to Y1,920 and Toyota Motor also lost Y20 to Y860.

Germany

In very thin trading, share prices were inclined to drift lower, with some observers blaming the continued downtrend on tight liquidity among West German banks, which are normally significant participants on the Stock Exchange. The Commerzbank index shed 2.8 more to 749.3.

Losses were generally small, although Motors and Stores recorded some notable declines. **Volkswagen** receded DM3.30 and **BMW** DM1.20, while **Karstadt** and **Kaufhof** were each DM2 weaker. Siemens, in Electricals, retreated DM1.30, while the Banks sector had **Commerzbank** off DM1.20, but **Bayerische Vereinsbank** rallied DM3.

Public Authority Bonds were irregular with movements extending to 20 pfennigs in both directions. The Bundesbank sold a nominal DM8.1m of paper after purchases of DM5.5m the previous day. Mark-denominated Foreign Loans continued to weaken, but the **Chrysler** 7 per cent showed signs of recovery, gaining DM2.

Paris

The market saw little activity yesterday on returning from the Assumption Day holiday, and stocks generally declined to leave the Bourse Industrials index 0.9 down at 89.8.

Operators cited the continued foreign trade deficit and higher unemployment figures, both published late on Tuesday.

Oils led the decline following a report by **Esso-SAF** which was interpreted as dampening earlier statements on "important" oil and gas discoveries. As a result, **Elf-Aquitaine** fell FFr 31 to FFr 910 and **CFP** FFr 5 to FFr 193, while **Esso** were also marked down.

Foods, Motors, Stores, Electricals and Public Works were weaker sectors, while Banks, Mechanicals and Chemicals were narrowly mixed.

There were a few bright spots, however, such as **Alsacienne Supermarches, Credit National, Screg, Grands Travaux-Marseille, Gle-Entreprises, Legrand** and *Penarroya*.

Hong Kong

Shares were inclined to mark time in fairly quiet trading ahead of the meeting of the Exchange Banks Association's interest rate committee tomorrow. However, the Hang Seng index, after *relinquishing some 12 points* over the past two days, picked up 2.42 to 615.89.

Among the leaders, **Hong Kong Bank** rose 20 cents to HK$13.90, while **Hutchison Whampoa** and **Wheelock "A"** put on 5 cents apiece to HK$5.40 and HK$3.575 respectively. **Hongkong Land** and **Hongkong Wharf** were both unchanged, but **Jardine** eased 10 cents to HK$11.90.

Elsewhere, **China Light** firmed 10 cents to HK$21.10 and **China Provident** 2.5 cents to HK$33.00.

Amsterdam

Shares closed on a mixed note. In Dutch Internationals, **Royal Dutch** gained 80 cents to Fl 150.70 on sharply higher second-quarter earnings.

Elsewhere, **NMB** firmed Fl 3.50 to Fl 236 on the jump in first-half profits. **KLM** lost Fl 1.90 but **Heineken** put on Fl 1.00.

Australia

The recent uptrend was continued across a broad front, with Mining leaders scoring some good gains. The Sydney All Ordinaries index moved ahead 3.43 to establish a new seven-year peak of 620.93, while the Metals and Minerals sub-group rose 52.90 to 3,258.83.

Western Mining gained 4 cents to A$2.81 with turnover exceeding 720,000 shares in Melbourne, while **MIM** climbed 8 cents to A$3.55, **Bougainville Copper** 10 cents to A$2.25, **Renison Tin** 20 cents to A$12.00, **CRA** 8 cents to A$3.70 and **Consolidated Goldfields** 10 cents to A$3.90.

Coal Mining issues met further buying attention, with **Thiess** adding 20 cents at A$4.40 and **Utah** 5 cents at A$3.90.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
○ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated.
c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. % h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

BASE LENDING RATES

A.B.N. Bank	14 %
Allied Irish Bank Ltd.	14 %
Amro Bank	14 %
American Express Bk.	14 %
Henry Ansbacher	14 %
A P Bank Ltd.	14 %
Associates Cap. Corp.	14 %
Banco de Bilbao	14 %
Bank of Credit & Cmce.	14 %
Bank of Cyprus	14 %
Bank of N.S.W.	14 %
Banque Belge Ltd.	14 %
Banque du Rhone et de la Tamise S.A.	14½%
Barclays Bank	14 %
Bremar Holdings Ltd.	15 %
Brit. Bank of Mid East	14 %
■ Brown Shipley	14 %
Canada Perm't Trust	15 %
Cayzer Ltd.	14 %
Cedar Holdings	14 %
■ Charterhouse Japhet	14 %
Choulartons	14 %
C. E. Coates	14 %
Consolidated Credits	14 %
Co-operative Bank	*14 %
Corinthian Secs.	14 %
Credit Lyonnais	14 %
The Cyprus Popular Bk.	14 %
Duncan Lawrie	14 %
Eagil Trust	14 %
English Transcont.	14 %
First Nat. Fin. Corp.	15½%
First Nat. Secs. Ltd.	15 %
■ Antony Gibbs	14 %
Greyhound Guaranty	14 %
Grindlays Bank	‡14 %
■ Guinness Mahon	14 %
■ Hambros Bank	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Julian S. Hodge	15 %
Hongkong & Shanghai	14 %
Industrial Bk. of Scot.	14 %
Keyser Ullman	14 %
Knowsley & Co. Ltd.	15½%
Lloyds Bank	14 %
London Mercantile	14 %
Edward Manson & Co.	15 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co.	14 %
Rossminster	14 %
Ryl. Bk. Canada (Ldn.)	14 %
Schlesinger Limited	14 %
E. S. Schwab	14 %
Security Trust Co. Ltd.	15 %
Shenley Trust	15 %
Standard Chartered	14 %
Trade Dev. Bank	14 %
Trustee Savings Bank	14 %
Twentieth Century Bk.	15 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw	14½%
Williams & Glyn's	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11½%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12% and over £25,000 12¼%.
‡ Call deposits over £1,000 11%.
§ Demand deposits 11½%.

China grain forecast 'optimistic'

PEKING — An article in the People's Daily predicts China's grain harvest this year could increase 20m tonnes to 325m, but foreign agricultural experts believe this extremely optimistic.

China's grain harvest last year was a record 304.75m tonnes and foreign experts suggest a possible increase of between 5m and 7m tonnes, largely depending on maize and late rice crops.

The country had already reported a bumper winter wheat harvest, which the experts believe offset a decline in the early rice crop.

The article said if China maintained the forecast rate of increase, the target of 400m tonnes of grain by 1985 would be a possibility.

Reuter

Philippines sugar below expectations

MANILA—Philippines sugar production for the 1978-79 crop year ending this month is expected to be 100,000 tonnes below earlier expectations, at about 2.37m tonnes, Roberto Benedicto, Philippines Sugar Commission chairman said here yesterday.

Noting world-wide sugar production this year is now expected to be 3.7m tonnes below last year, he said falling production could help boost currently depressed prices. The Philippines' export quota under the International Sugar Agreement is just over 1m tonnes.

About 1m tonnes goes for domestic consumption and China has offered to buy about 1m tonnes of Philippines sugar over the next seven years.

Reuter

Hide export ban 'to end'

AN ARGENTINE Government resolution lifting the country's 10-year-old ban on exports of raw hides is "imminent," Reuter reported.

The ban on skin sales from Argentina, one of the world's leading beef producers, has been attacked by European and U.S. tanners who claim restrictions in Latin America and elsewhere have forced Asian and Soviet buyers into their raw hide markets and caused a rapid rise in prices there.

Irish may treble fishing fleet

BY STEWART DALBY IN DUBLIN

A HUGE expansion in investment in the Irish fishing industry could see landings triple by 1984 to 300,000 tons, according to Mr. Brendan O'Kelly, the chairman of An Bord Iascaigh Mhara (Irish Fishing Board). The value of fish exports could increase from a current £32m to over £100m.

Speaking in Dublin, Mr. O'Kelly said that over the next four years investment in Irish fishing vessels could amount to £150m. Most of this will come from the private sector, although the BIM is empowered to give 25 per cent grants and can help in arranging finance. Some of the investment will be in boats of up to 120 feet. Irish boats usually go up to about 85 ft. Already, five 120 foot vessels, costing £10m, are on order.

This year landings will be of the order of 105,000 tons. This will be made up mainly of pelagic fish like herring and mackerel (some 50 per cent of the catch) and fish like demersal (bottom feeding fish) like cod, hake, ling and skate are small compared with other European countries.

There are problems the country faces in expanding the catch. First there is very little traditional demersal fishing. The industry is almost totally an inshore one, and it will need bigger and better boats plus a greater desire on the part of some of the country's 4,000 fishermen to find new grounds. There is little history of large cod catches, for example, because it is a cold water fish.

Secondly, the country will have to secure adequate quotas. Although in the absence of an EEC common fisheries policy, quotas have not been set for this year, last year's allowable catches have been rolled over.

Ireland has a proportionate share of species like herring and mackerel but because it has started from such a low base the Irish allowable catch of species like cod and hake is very small.

Mr. O'Kelly claims though that Ireland is one of the few EEC countries which still has room to expand its fishing industry. Others, he says, have developed over-capacity.

Meat product sales 'rising 15% a year'

BY RICHARD MOONEY

IN SPITE of the virtual standstill in real spending on food, UK sales of meat products are rising fast—some by as much as 15 per cent a year, according to Wall's Review of the Meat Products Market, published yesterday.

And the company said it expected the trend to continue. It pointed to the continuing large percentage of "working mums," within the British workforce who had "less desire to create a unique culinary experience for the family than to minimise time spent in the kitchen."

Most of the credit for the increased sales was given to the multiple grocery stores. Out of total sales currently worth £1,623m a year the grocery trade contributed £618m.

Grocers had 61 per cent of the pre-packed bacon market, 76 per cent of the bacon joint sales, 44 per cent of sausages, 39 per cent of pies, 78 per cent of ham, 77 per cent of vacuum packed sliced meats and 79 per cent of meat spreads.

The market was dominated by four main manufacturers, the review said. Wall's, Matteson, Bowyers and Danepack between them accounted for 25 per cent of sales.

While sausages and bacon provide high and stable volume, pies and bacon joints were "the rising stars of the market," Wall's said.

It quoted patés as the best example of grocery-led expansion. Sales of these were currently valued at £19m and are growing at an annual rate of 20 per cent, the review said.

New cocoa surplus predicted

By Our Commodities Editor

COCOA PRODUCTION is likely to exceed demand for the third year in succession in the 1979/1980 season, beginning in October, according to a special report by London brokers, Inter Commodities, issued yesterday.

The report predicts that world production will rise to 1,530,000 tonnes, compared with 1,452,000 tonnes in 1978/1979, with main crops in West Africa and Brazil developing well.

Consumption is also forecast to increase from 1,392,000 to 1,420,000 tonnes, leaving a surplus output of 60,000 tonnes—the same as in 1978/79.

With stocks returning to normal levels the report suggests that cocoa prices should fall to £1,190 to £1,200 a tonne level during the 1979/1980 season.

On the London cocoa futures market, prices drifted lower yesterday in the absence of buying interest. The December position closed £17.5 down at £1,424.5 a tonne.

Producers are apparently still holding out for higher prices, but traders feel they will be forced to sell eventually. However, it is thought demand may be stimulated by the lower prices to a higher figure than that predicted by Inter Commodities.

The Ghana Cocoa Marketing Board said in Accra that it purchased 1,353 tonnes of mid-crop cocoa in the fourth week of the season. This brings total mid-crop purchases so far this season to 8,460 tonnes compared with 7,607 tonnes at the same time last year.

Farm labour scheme launched

By Our Commodities Staff

A LONG-TERM farm labour and management contract scheme was unveiled yesterday by Four Seasons Farm Management, an RHM subsidiary.

The scheme, which covers dairying, sheep farming and arable farming as well as general labour services, offers farmers an integrated service providing skilled labour, plus back-up, and co-ordinated technical support.

The company will generally be paid by results, with charges for dairy services being linked to milk yields. But for shepherding costs will be according to the number of ewes in the flock.

UK FARMING

Harvest a qualified success

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

I FINISHED harvesting winter barley last Friday with qualified satisfaction. The yield was something over two tonnes an acre, rather less than last year, but this covered a very wide variation which ran from 33 to well over 50 cwt. The worst yield came from the crop which had looked the best right through the appalling winter and spring. This was undoubtedly due to its dying off during the July drought.

Instead of being nice and plump, the grain was thin, mean and exceedingly dry. The moisture content on harvesting was about 13 per cent and it needed no drying at all. The only way to account for this field's poor showing is that the land is much lighter than the stronger clays of the rest of my farm.

The reason for my dissatisfaction is that all through the winter, barley looked better than it had during the 1978 season, and I was looking for a record yield. It just shows that the results of a harvest can be accurately measured only after the event.

This makes me very sceptical of the forecasts by the U.S. Department of Agriculture, and other predictions of harvest yields down to quite narrow limits on which so many grain market price movements are based. I never believe our own Ministry of Agriculture estimates, nor those of anyone else. They are guesses.

But unlike most guess-work, they can never be accurately debunked. This is because disposal figures, if they are ever published at all, are available only in the subsequent harvest year when all minds are engaged with the prospects of the next crop and not bothering at all about the last.

That being said, I think the prospects of the other main cereals, spring barley and wheat are being clouded by the present run of bad weather, in the South at any rate. My own wheat recovered marvellously from the winter and by the end of June was looking as well as it ever has done.

Since then things have changed, and my own crops in common with many others are showing distinct signs of stress. Instead of maturing into a pleasant golden colour there are nasty streaks of dark green brown and even black on the heads.

Close examination of the ears discloses a selection of diseases and infections which were not apparent two or three weeks ago.

It is too late to do anything about them now, and it is even doubtful if any previous treatment would have prevented it. The crops afflicted seem to belong equally to those who have been spending thousands on sprays and those who have kept their money in their pockets.

The worst attacks can shrivel the grain into chicken corn, and while my rubbed-out grains still show a reasonable chance of finishing at a decent size, one field has a large patch where there will be nothing in the ears at all. This has been caused by a disease most aptly named "takeall" and is usually a result of over-cropping or not having a decent rotation.

It is exactly the case with this field. I had grown 15 crops of barley in succession. Continuous barley is about the one form of monoculture which will work, but siren voices had been assuring me that after a run of barley like this wheat can be grown without fear of disease, particularly "takeall."

So being greedy as wheat is more valuable than barley, I tried it, and can now say authoritatively that 15 years of barley will not break the grip of "takeall."

This is only a small field and right alongside I have a much larger acreage of land on which the wheat was preceded by a crop of peas and one of grass seed—both good wheat entries. The peas returned about the same as a crop of barley, and the grass seed rather less than half, due to the weather.

The present wheat crops are now looking rather sad, and I would have probably been better off sticking to barley.

But barley monoculture which I have practised for many years on fields where there were no alternatives has been complicated by the advent of the Continental winter or autumn sown barleys. These certainly yield better than the spring varieties we had been used to and some spectacular results have been achieved.

But these are early days and certain weed problems are rearing their ugly heads, quite literally, above the crops. This is because once the grain is sown in September and October nothing much can be done about certain grass weeds until the crop has been harvested. Then the time between harvest and sowing is very short indeed.

With spring barley it is possible to spend quite a bit of time in the autumn, and again in the spring, killing weeds by cultivation. This is effective and probably no more expensive than attempts at chemical control.

I shall certainly not forsake spring barley growing altogether and I would not have even considered giving it up as much as I have done if I could have found a barley which yields as well as the average autumn sown variety and ripens in mid-July.

This is something for the plant breeders to get their teeth into. They have done a great deal to confuse the scene of recent years by the introduction of apathora of new varieties which have made little lasting impression.

The moral of all this is that in farming, as well as in most other things, it is very foolish to count one's chickens before they are hatched.

It is also becoming very clear to me that there is no shortcut to consistently good yields through chemicals, miniculivation or any nostrum compared with almost traditional rotational systems.

Iran invites bids for caviar

BY A CORRESPONDENT

THE IRANIAN Fisheries Company (Sherkat Sahami Shilat Iran) is offering for sale in the Gulf and Middle East 15 tonnes of caviar a year over the next three years.

The Doha-based Gulf Times, an English-language weekly, this week carried a full page advertisement inviting tenders for the entire 45 tonnes, which includes first and second quality beluga, oscetra and sevraga grains, and pressed caviar.

Bidders must submit two separate envelopes, and the second will not be opened after the closing date, September 22, unless the Iranian fishing company is satisfied with the contents of the first. This must provide a cash deposit of $50,000 or an unconditional foreign exchange guarantee, backed by Bank Melli Iran, a certificate from a chamber of commerce confirming that the bidder has "previous experience and competence in the sale of caviar," a bank certificate of the bidder's credit-worthiness for at least $300,000 and a certificate of the company's registration, countersigned by an Iranian Embassy if based in a foreign country.

The second envelope must contain the bid prices, in dollars per kilo, for each of the eight grades of caviar plus agreement to the form of contract.

The successful bidder is required to pay 10 per cent of the cost of the first two years supply in advance, or provide a bank guarantee. He will also be liable for unspecified, "duties and taxes as well as the cost of printing the notice and other charges concerning the contract."

The buyer takes delivery from the company's cold storage depot at Bander Anzali.

Multinational proposed

COLOMBO — A World Bank official told the World Conference of the Society for International Development (SID) that Sri Lanka, India, Bangladesh and Kenya should set up a massive corporation to produce and market their teas to stop exploitation of their tea markets by Western buyers.

Mahbub Ul Haq, director of the policy planning and programme review department of the World Bank, said the four countries could set up a multinational corporation to provide services like shipping, marketing and advertising jointly subscribed by them.

Reuter

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Easier on the London Metal Exchange. Forward metal opened around £900 but quickly fell away to the low £890s, reflecting the overnight trend on Comex coupled with profit-taking. A poor opening on Comex saw the price dip to £889 but it later rallied to close the late kerb at £896 following the downturn in sterling. Turnover 20,625 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £893, 96, 97, three months £892, 91, 92, 92.5, 92, 95, 94, 92, 91, 92. Cathodes, three months £874. Kerb: Wirebars, three months £892, 93. Afternoon: Wirebars, three months £891, 92, 93, 92.5, 93, 93.5, 95, 94, 95, 94, 94.5, 95. Cathodes, three months £877. Kerb: Wirebars, three months £894, 95, 96, 97, 96, 97, 96, 97, 96.5, 96.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	896-7	—9	888-900	—8
3 months	891.5-3	—0.75	894-5	—8.75
Settlem't	897	—9	—	......
Cathodes				
Cash	861-3	—15	867-8	—7
3 months	874-5	—13.5	877-8	—10
Settlem't	863	—15	—	......
U.S. Smt.	—	......	*84-87½	......

TIN—Quietly firm with forward metal edging up from £6,590 to close the late kerb at £6,640, reflecting a rise at Penang, weaker sterling and covering against U.S. physical demand. Turnover 730 tonnes.

Morning: Standard, cash £6,630, 25, three months £6,610, 6,600, 605, 10, 20. High Grade, cash £6,635. Afternoon: Standard, cash £6,640, 35, three months £6,610, 20, 30, 35. Kerb: Standard, three months £6,635, 40, 45, 50, 35, 40.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6635-45	+55	6625-35	+30
3 months	6615-30	+10	6630-40	+15
Settlem't	6645	+55	—	......
Standard				
Cash	6625-30	+42.5	6625-35	+30
3 months	6615-20	+5	6625-30	+12.5
Settlem't	6630	+40	—	......
Straits E.	‡$1878	+5	—	......
NewYork	—	......	—	......

LEAD—Barely changed on balance. After opening around the £540 level forward metal fell back to £526, reflecting light profit-taking and the trend in copper. However, in the afternoon the price picked up to close the late kerb at £534 following the decline in sterling. Turnover 9,650 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	533-4	+1	535-8	+.5
3 months	528-9	—1	529-31	—.5
S'ment	534	+1	—	......
U.S. Spot	—	......	*08-62	......

Morning: Cash £534, 35, 34, 33, three months £530.5, 31, 30, 29, 28. Kerb: Three months £528. Afternoon: Three months £527, 28, 29, 30. Kerb: Three months £535, 34.

ZINC—Lost ground reflecting the absence of any support. Forward metal opened at £312 and gradually fell away to close the late kerb at £302. Turnover 5,450 tonnes.

Morning: Cash £298, three months £310, 9, 8, 7. Kerb: Three months £307. Afternoon: Three months £307, 5, 4, 2, 3, 2. Kerb: Three months £304, 3, 4.

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	286-7	—5.5	290-2	—9
3 months	307-8	—4.75	502-3	—8
S'ment	297	—6	......	......
Prim w'st	—	......	*58.5	......

ALUMINIUM—Erratic with forward metal moving between £693 and £699 before closing at £697.5. The backwardation narrowed to around £3 from £14 overnight. Turnover 3,875 tonnes.

Morning: Three months £696, 94, 93, 94. Afternoon: Three months £695, 97, 96, 96.5, 96, 98, 99, 98, 97. Kerb: Three months £697.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	702-4	—11	704-6	—4
3 months	693-5	—7.5	697-8	+8.0

NICKEL—Unchanged in quiet and routine trading with forward metal finally £2,600 on the late kerb. Turnover 756 tonnes.

Morning: Three months £2,585. Afternoon: Cash £2,520, three months £2,595, 2,600.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2495-505	—10	2580-5	+12.5
5 months	2575-85	—12.5	2590-610	......

* Cents per pound. † SM per picul. ‡ On previous unofficial close.

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CORAL INDEX: Close 476-481

INSURANCE BASE RATES

† Vanbrugh Guaranteed 11¼%
† Property Growth 11¼%
† Address shown under Insurance and Property Bond Table.

EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times. It will be published in an eight-page format on the following dates in the remainder of 1979:

September 10
October 15
November 12
December 10

There is a limited amount of advertising space available each month; if your company is interested in taking advantage of this offer please contact

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SILVER

Silver was fixed 8.6p an ounce higher for spot delivery in the London bullion market yesterday, at 405.8p. U.S. cent equivalents of the fixing levels were: Spot 906.5c, up 22.8c; three-month 926.2c, up 23.5c; six-month 945c, up 23.7c; and 12-month 979.5c, up 24.2c. The metal opened at 406¾-407¾p (909-911c) and closed at 408¼-409¼p (908-910c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	405.80p	+0.20	408.45p	—1.80
3 months	417.00p	—0.10	419.9p	—1.85
6 months	427.80p	—0.10	—	......
12 months	446.60p	—0.10	—	......

LME—Turnover 179 (244) lots of 10,000 ozs. Morning: Three months 417.5, 17, 16.7, 18.9, 17, 16.8, 16.9, 16.8, 16.8, 16.7. Kerbs: Three months 417. Afternoon: Three months 419, 18.8, 18.5, 18.6, 18.8, 18.9, 19.2, 19.5, 18.8. Kerbs: Three months 420.5, 20.2, 19.8, 20.5.

COCOA

Cocoa futures eased further in thin trading conditions before light profit-taking pared losses at the end of a featureless day, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
Sept	1562-1564	—15.5	1589-47
Dec	1494-1495	—17.5	1485-07
March	1457-1458	—9.0	1480-53
May	1494-1499	—3.0	1505-1479
July	1520-1530	—0.5	1516
Sep	1540-1560	—2.5	1540-37
Dec	1570-1580	—12.5	—

Sales: 3,247 (3,461) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Aug. 15: 143.12 (141.26); Indicator price for Aug. 16: 15-day average 140.25 (140.85); 22-day average 142.58 (142.73).

COFFEE

London Robustas opened around 15-20 better than the previous close, although trading again was very thin, reported Drexel Burnham Lambert. The market remained on a steady note through the rest of the morning session but volume was still unimpressive. Afternoon trading saw a much steadier market as buying near the close saw prices rally a further £10 to close the day 24-30 higher on balance.

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
September	1759-40	—24.0	1745-28
November	1778-79	+50.0	1780-58
January	1771-79	+26.0	1774-75
March	1710-13	+28.5	1716-1698
May	1704-07	+31.5	1708-1690
July	1670-94	+25.0	...
Sept	1692-95	+26.0	1694-80

Sales: 3,928 (4,656) lots of 5 tonnes.

ICS indicator prices for August 15 (cents per pound): Other Mild Arabicas 195.50 (195.33). Robustas ICA 1976 179.25 (177.25). ICA 1968 179.50 (177.50). Colombian Mild Arabicas 206.0 (205.0). Unwashed Arabicas 194.0 (191.50). Comp. daily ICA 1968 191.75 (189.72).

GRAINS

WHEAT			BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterdys close	+ or —
Sept.	91.60	—0.20	86.80	—0.10
Nov	95.55	—0.25	90.90	—0.15
Jan	99.85	—0.25	95.30	—0.15
Mar	103.25	—0.25	98.85	—0.20
May	106.55	—0.35	102.05	—0.20

Business done—Wheat: Sept. 91.60-91.45, Nov. 95.55-95.40, Jan. 99.85-99.65, March 103.25-103.10, May 106.55-106.40. Sales: 207 lots of 100 tonnes. Barley: Sept. 86.80-86.50, Nov. 90.90-90.65, Jan. 95.20-95.15, March 98.80-98.75, May 102.05-101.90. Sales: 237 lots of 100 tonnes.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent, unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, Aug. 97.25, Sept. 97.75, Oct. 99.50, transhipment East Coast. U.S. Hard Winter, 13½ per cent, Sept. 100.25, transhipment East Coast. EEC unquoted. Maize: U.S./French Aug. 108.00, Sept. 109.50, transhipment East Coast. S. African White unquoted. S. African Yellow Sept.-Oct. 82.50 nominal. Barley: English Feed fob Aug. 89.50, Oct.-Dec. 93.50 East Coast. Sorghum: U.S./Argentine unquoted. Oats: Scandinavian feed unquoted.

RUBBER

The London physical market opened easier with good interest at lower levels, closing on a steady note. Lewis and Peat reported a Malaysian godown price of 281 (282) cents a kilo (buyer, September).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Sept	56.10-58.90	57.70-58.60	57.40
Oct	59.35-58.90	58.90-59.00	—
Oct-Dec	60.00-60.50	59.80-59.95	—
Jan-Mar	65.50-65.55	62.85-62.85	65.40-62.70
Apr-Jne	65.60-65.70	65.55-65.40	65.65-65.15
Jly-Sept	68.10-68.25	67.95-68.00	68.10-67.50
Oct-Dec	70.60-70.80	70.50-70.55	70.30-70.00
Jan-Mar	73.10-73.15	73.05-73.10	73.15-72.65
Apr-Jne	75.55-75.80	75.45-75.50	75.55-75.10

Sales: 271 (350) at 15 tonnes, 1 (30) at 5 tonnes.

Physical closing prices (buyer) were: Spot 57.50p (57.00p); Sept. 63.00p (62.75p); Oct. 63.25p (63.00p).

SOYABEAN MEAL

The London market opened at £1 down and stayed within a narrow trading range in quiet conditions most of session, reported T. G. Roddick. However, easier Sterling reported prices to close the market on the highs of day.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
August	107.00-10.0	—0.50	—
October	113.50-15.7	—0.55	110.10
December	118.90-18.0	—0.15	119.00-17.90
February	120.90-21.2	—0.05	121.00-20.20
April	122.50-25.0	+0.15	—
June	125.00-25.0	+0.25	—
August	122.00-28.0	......	—

Sales: 53 (126) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £101.00 (same) a tonne cif for Aug.-Sept.-Oct. shipments. White sugar daily price was £111.00 (£112.00).

At the opening small losses were quickly erased and thereafter a steady undertone prevailed. Prices slowly edged higher to record gains of £1.20-£0.50 with closing levels the highs of the day, reported C. Czarnikow.

[illegible]

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron contract: Oct. 409.2, 410.0, 410.0-409.0, 2; Dec. 414.5, 415.0, 416.0-415.0, 45; March 422.2, 422.5, 424.0-422.0, 41; May 424.5, 425.0, 426.5-424.5, 36; July 428.5, 428.0, 427.0-426.0, 8; Oct. 428.0, 429.0, 429.0-428.0, 8; Dec. 429.0, 430.0, untraded. Sales 139.

LONDON GREASY—Close (in order: buyer, seller only). Oct. 218.0, 233.0; Dec. 218.0, 238.0; March, May, July, Oct. and Dec. all 228.0, 238.0.

NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller only). Oct. 181.0, 183.0; Dec. 181.0, 183.0; March 180.0, 189.0; May, July, Oct. and Dec. all 180.0, 181.0.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 47 tonnes, bringing the total for the week so far to 81 tonnes. Restricted demand continued, users showing no inclination to extend engagements. Into this was confined some small quantities in Middle Eastern qualities.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £4.50-£5.00, codlings £2.80-£3.50. Large haddock £4.80-£5.40, medium £3.80-£4.80, small £1.80-£3.00. Large plaice £4.20, medium £3.80-£5.00, best small £3.80-£4.80. Skinned dogfish (large) £10.00, (medium) £7.00. Lemon soles (large) £7.00, (medium) £6.50. Saithe £1.90-£2.30.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on August 16. GB cattle 80.79p per kg. l.w. (−0.88); UK sheep 142.0p per kg. est.d.c.w. (−0.6); GB pigs 63.0p per kg. l.w. (+1.0). England and Wales: Cattle numbers up 1.3 per cent, average price 81.02p (−0.03); Sheep numbers up 0.1 per cent, average price 142.2p (−0.5); Pig numbers up 18.8 per cent, average price 63.0p (+1.0). Scotland: Cattle numbers up 5.7 per cent, average price 80.20p (−2.39); Sheep numbers down 4.8 per cent, average price 131.7p (−1.3).

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 62.0 to 66.0; Eire hindquarters 78.0 to 81.0, forequarters 42.0 to 44.0. Veal: Dutch hinds and ends 93.0 to 100.0. Lamb: English small 58.0 to 62.0, medium 56.0 to 60.0, heavy 50.0 to 58.0; Scottish medium 52.0 to 60.0, heavy 50.0 to 58.0. Imported frozen: NZ PL 48.0 to 49.5, PM 48.0 to 48.5. Pork: English, under 100 lb 34.0 to 43.0, 100-120 lb 35.0 to 42.0, 120-160 lb 35.0 to 41.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Product: Oranges—S. African: Valencias 4.00-4.70, Navels/Proteas 3.80-4.30; Brazilian: 3.00-3.20; Californian: 5.00-5.50. Lemons—Italian: 100/150's 5.50-6.00; Spania: Trays 30/40/45 2.80-3.00; Argentina: 88/100113 7.50; S. African: 8.00; Jaffa: Trays 2.70-3.10. Grapefruit—S. African: 27/72 3.80-6.05. Apples—French: Golden Delicious, new crop, 20 lb 72/84's 2.30-2.40; Spanish: Golden Delicious, new crop, Boxes 40 lb 150/175 4.00-4.40; Italian: Rome Beauty per lb 0.08; S. African: Granny Smith 3.00-4.50, Yorks 4.00; New Zealand: Red Dougherty 5.00, Granny Smith 7.60, Sturmers 4.50; Tasmanian: Sturmer Pippin 4.00-4.50, Crofton 4.60-5.20; Chilean: Granny Smith 8.60; Spanish: Limoneras per lb 0.12, Williams 0.14; French: Guyots 28 lb 2.60, Williams 3.10; Italian: Williams per lb 0.14-0.15. Plums—Italian: Per lb Burbanks 0.14, Belles 0.13, Giant Prunes 0.11-0.12; French: Gages 0.12; Hungarian: Switzens 6 kilos 2.00. Grapes—Cyprus: Sultana 0.20, Thompson 0.23, Alphonse 0.28, Rozaki 0.27; Italian: Cardinal 10 lb 2.00, Regina 10 lb 1.50, 12 lb 2.00; Spanish: Alphonse per pound 0.20. Nectarines—Italian: C/B/A's 3.20-4.50; French: 28's 3.00. Bananas—Jamaican: Per 28 lb 3.60-4.00. Avocados—S. African: 3.60-4.20. Melons—Spanish: Yellow honeydew 10-kilos 5/14's 2.20-2.60. Onions—Spanish: 4.00-5.20; Dutch: 3.60. Tomatoes—Jersey: Per tray 1.20-1.40; Guernsey: 1.20-1.50.

English Produce: Potatoes—New crop per bag 2.20-2.40. Lettuce—Per 12 round 0.60-1.00, Cos 1.20. Mushrooms—Per lb 0.40-0.60. Apples—Per lb Bramley 0.05-0.10, Grenadiere 0.04-0.06, George Cave 0.08-0.10, Discovery 0.12-0.14. Plums—Per lb Czars/River 0.08-0.10. Tomatoes—Per lb 1.20-1.40. Cucumbers—Trays 8/18's 0.60-1.00. Cauliflowers—12's Lincoln 1.50-1.60. Celery—Boxes 12/30's 1.00, large cartons 20/24's 2.20-2.30. Peas—Per lb 0.12. Broad Beans—Per lb 0.05-0.06. Onions—Per bag 3.50-3.80. Carrots—Per bag 0.60-1.00. Beetroot—Per bag 1.20. Marrows—Per 18's 0.80. Capsicums—Per lb 0.20. Swedes/Turnips—Per 25/28 lb 1.00-1.20. Stick Beans—Per lb 0.12-0.15. Runner Beans—Per lb 0.08-0.10.

PRICE CHANGES

In tonnes unless otherwise stated.

	Aug. 16 1979	+ or —	Month ago
Grains			
Barley Futures	£90.90	—0.15	£91.30
Maize			
French No3AM	£108.0	......	£107
Wheat			
No. 1 Red Spg.	‡	......	£87.75
No2HardWint.	£100.25t	—1	£99.5
Eng. Milling	‡	......	‡
Other commodities			
Cocoa ship't	£1,505	......	£1,528
Future Dec	£1,424.5	—17.5	£1,418
Coffee Ft'r Nov	£1,778.5	+50	£1,871
Cotton A.Index	77.45c	—0.15	76.55c
Rubber (kilo)	57.50p	+0.5	56.0p
Sugar (Raw)	£101.0		£99.0
Wooltp's 64s kl	467p	+1	267p

* Nominal. † New crop. ‡ Unquoted. e Aug.-Sept. r Sept. w Sept.-Oct. x Oct. y Oct.-Nov. z Indicator. § Buyer.

AMERICAN MARKETS

NEW YORK, August 16.

THE PSYCHOLOGICAL turnabout in the markets was swift and dramatic. The entire livestock and meat complex was up the limit or near the limit on good pre-holiday demand. Grains were mixed within a narrow range. However, the soya complex is showing excellent gains in response to reports of damage to the Canadian rapeseed crop.

[illegible]

Live Hogs—Aug. 38.60-38.50 (37.22-38.55), Oct. 35.85-35.95 (34.60-35.90), Dec. 38.95-38.90, Feb. 38.45, April 37.60, June 41.75, July 41.80, Aug. 40.30, Oct. 39.05. Sales: 6,701.

[illegible]

EUROPEAN MARKETS

[illegible]

INDICES

FINANCIAL TIMES

Aug. 15	Aug. 14	M'nth ago	Year ago
283.80	285.22	285.91	246.49

(Base: July 1, 1952=100)

MOODY'S

Aug. 15	Aug. 14	M'nth ago	Year ago
1072.1	1065.0	1065.4	930.0

(December 31, 1931=100)

DOW JONES

Dow Jones	Aug. 15	Aug. 14	Month ago	Year ago
Spot	397.25	398.51	408.67	346.30
F'tur's	407.66	408.41	422.43	358.57

(Average 1924-25-26=100)

REUTERS

Aug. 16	Aug. 15	M'nth ago	Year ago
1565.5	1562.8	1554.7	1441.7

(Base: September 18, 1931=100)

Iceland fish compromise

OSLO—Iceland and Norway finally seem willing to compromise over economic zones around the Norwegian North Atlantic island of Jan Mayen.

Iceland has agreed to recognise Norwegian sovereignty over the 372 square kilometre island on condition that Norwegian trawlers immediately stop the capelin fishing near Jan Mayen when the catch has reached 90,000 tons, and that the two countries agree to share fish resources in the area.

AP-DJ

June furniture deliveries rise

DOMESTIC FURNITURE deliveries in June are estimated to be worth £86.2m at present prices, giving a seasonally adjusted monthly index of 120 (1975=100), according to Department of Industry figures.

The average for the April to June quarter is 113—8.1 per cent higher than in the previous quarter but only 0.6 per cent above the same period last year.

Big demand activates but fails to exhaust tap stock
Equity tone helped by Gilts and index up 5.5 at 479.7

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 30	Aug. 9	Aug. 10	Aug. 20
Aug. 13	Aug. 23	Aug. 24	Sep. 3
Aug. 28	Sep. 6	Sep. 7	Sep. 17

* "New time" dealings may take place from 9.30 am two business days earlier.

The presence of a large potential demand for the new £30-paid short tap stock at a price slightly in excess of par caused a short delay when first-time dealings began in the issue yesterday. Had the demand been met it would have quickly exhausted the Government broker's supplies. Contrary to general expectations, the GB refused bids of under 30½ for the stock, Exchequer 11½ per cent 1984, and so many buying orders were withdrawn.

There was still sufficient demand, however, to enable the GB to supply stock at 30½ and at 30⅝ before withdrawing and asking for a slightly higher bid. This was not made and the market turned reactionary after having risen in the wake of the tap stock activity. Stag and other short-term speculative selling countered any further buying, and the tap subsequently softened to close at 30⅝, after 30¾.

Similarly, early gains extending to ¼ among remaining shorts were gradually eroded and still later transformed into losses ranging to ⅜. Mediums and longs initially took encouragement from the surrounding tone and improved ½, but the gains were surrendered in a relatively moderate trade.

Confirmation in the latest money supply figures that the recent sharp rise in bank lending had slowed helped to stabilise the market later in the afternoon without imparting any fresh buying incentive. Corporation stocks benefited from the events in Gilt-edged and established rises to ¼.

Early speculation about the weight of money poised for investment in British Funds lent support to the equity sections. Wall Street's further advance overnight also gave the movement some impetus in the first hour or so of business and more interest was displayed in leading shares than for some time. By noon, the FT 30-share index was 6.9 up, but enthusiasm subsequently faded and leading industrials drifted a shade easier as seen in the closing rise of 5.5 in the index at 479.7.

Trade in investment currency was evenly balanced and made little impact on rates which hardened following the late easiness in sterling. At the close, the premium was ¼ better on the day at 32⅜ per cent. Yesterday's SE conversion was 0.8805 (0.8838).

Conditions in the Traded Options market remained quiet and the 361 deals transacted was slightly higher than the previous day's. Land Securities were again lively, recording 93 deals, while GEC and Marks and Spencer closed with 88 and 52 respectively.

The better-than-expected interim statement helped Royals feature Insurances with a rise of 13 to 365p, after 363p. Other Composites made progress in sympathy and GRE, which report half-yearly figures on September 5, closed 8 to the good at 246p. Comment on the interim results and, in particular, the underwriting prospects for the remainder of the current year helped General Accident touch 234p before closing 4 up on balance at 230p. Elsewhere, still reflecting the increased interim dividend, Britannic advanced 8 more to 168p.

A modest demand for the major clearing banks was sufficient to leave improvements ranging to 10. Barclays ended that much better at 445p, while NatWest added 9 to 345p and Midland, 378p, and Lloyds, 300p, rose 6 and 5 respectively.

A little more buying interest than of late developed in the Brewery sector, particularly in selected secondary issues where Marston rose 6 to 109p and Wolverhampton and Dudley, 295p, and Border, 80p, firmed around 5 apiece. Scottish and Newcastle closed a shade dearer at 69½p following the chairman's encouraging statement on the outlook.

Trade in Buildings was virtually one-way and prompted several notable gains. Blue Circle firmed 6 to 284p and Tarmac 5 to 183p, while Tunnel "B" added 10 to 296p. London Brick revived with a gain of 1½ to 64½p and Baggeridge Brick put on 4 to 44p, the latter in a thin market. BPB were wanted and rose 6 to 160p. Among Contracting and Constructions, Costain improved 7 to 169p and the Deferred added 4 to 118p, while Taylor Woodrow improved 6 more to 386p. Redland, 189p, and Marchwiel, 114p, rose 4 apiece. Contract news stimulated interest in Fairclough which firmed 2½ to 77½p. Renewed support was forthcoming for Gough Cooper which put on 4 to 90p, while buying ahead of the interim results due next Thursday prompted a gain of 3 to 87p in William Whittingham.

ICI touched 348p before settling at 345p for a gain of 4 on balance; the interim results are due next Thursday.

Burton A wanted

Leading Stores encountered good demand especially in the first hour or so of business. A fresh flurry of speculative buying on revived enfranchisement and bid hopes helped Burton "A" stand out with a rise of 10 to 274p, while Gussies "A" closed 4 to the good at 424p. House of Fraser put on 3 to 145p and Marks and Spencer edged forward 2 to 121p. F. W. Woolworth hardened a penny to 78½p following comment on the interim results. Elsewhere, A. and J. Gelfer were notable for an advance of 4 to 53p in response to the good first-half profits. Bakers Household Stores came in for support at 108p, up 13, but further profit-taking in the absence of bid developments clipped 3 more from Peters at 79p.

Stylo Shoes revived with a fresh speculative improvement of 6 to 216p, while Strong and Fisher did well at 78p, up 4.

Trading in the Electrical sector was reasonably brisk. Among the high-fliers, Electrocomponents gained 8 to 438p and Eurotherm 9 to 323p, while Kode firmed 8 to 330p. Racal rose to 475p before settling at 470p, also for a rise of 8. Muirhead gained 4 to 342p and Electronic Rentals a similar amount to 200p but, still reflecting the warning on margins, Dale moved against the trend and closed 3 down at 131p for a two-day fall of 17. In the leaders, GEC finished only a penny firmer at 394p, after 400p.

Leading Engineers tended to ease after an initial upward flurry. John Brown closed 2 dearer at 435p, after 438p, while Hawker Siddeley finished a similar amount higher at 186p following the previous day's setback. Press comment on the interim figures had little impact on Tubes, a few pence cheaper at 332p. Elsewhere, Charles Clifford responded to the good interim results and dividend payment with a rise of 10 to 128p, while satisfactory preliminary figures left Woodhouse and Rixon 1½ firmer at 24p. Fresh support lifted B. Elliott 5 to 237p and Greens Economiser 3 more to 123p. Buyers also showed interest in Wolseley-Hughes, which advanced 6 to 273p, and in Newman Tonks, 3 dearer at 73p.

Proceedings in Foods were dominated by the active trade in Spillers which put on 1½ to 51p on speculation aroused by Dalgety's proposed share offer worth about 60p; Dalgety shares hardened a penny to 301p. Elsewhere, buyers came in for Northern Foods which firmed 4 to 124p, while Robertson added 5 to 155p as bid hopes revived.

Early activity in the gilt-edged market spilled over into leading equities and some good buying resulted in gains to 7 being recorded. Glaxo, 435p, and Pilkington, 317p, closed that much better, while Beecham, 147p, Boots, 193p and Bowater, 170p, all ended 4 dearer. Second thoughts about the second-quarter results helped Unilever, at 510p, retrieve the previous day's fall of 5. Elsewhere, Transport Development gained 4 to 70p following the second-quarter profits recovery and National Carbonising firmed a like amount to 51p on Press suggestions that the group might sell its 6.8 per cent stake in London and Scottish Marine Oil. Awaiting news of its projected sale by the NEB of its 24.42 per cent stake in the company, ICL gained 15 to 475p. Sotheby's revived with a rise of 10 to 345p. Renewed speculative interest lifted Booker McConnell 7 to 347p and Marshalls Universal 6 to 130p. Thermal Syndicate were wanted at 126p, up 8, and Wilson Walton rallied 3 to 15p. Rock Darham were notable for a rise of 6 at 45p, while similar improvements were recorded by Briden, 117p, Diploma Investments, 343p, and Smiths Industries, 198p. By way of contrast, B. Fertleman declined 2 to 17p in reaction to the dividend omission and trading loss.

Motor Components moved higher with Lucas adding 5 to 257p and Dunlop 2 to 63p. In Garages, Manor National firmed 3 to 25½p in response to the interim results and the board's confident statement.

Activity in Properties was mainly confined to the morning session. The early demand subsequently gave way to profit-taking which left Land Securities unchanged on balance at 311p, after 315p, MEPC 2 cheaper on the day at 201p, after 205p. Capital and Counties, however, held a gain of 4 at 104p, as did Haslemere, at 310p. Elsewhere, asset value considerations lifted Rush and Tompkins 3 more to 160p, after 163p, and left M. P. Kent 4 to the good at 80p. Buyers again showed interest in Fairview Estates which put on 7 to a 1979 peak of 234p, while Evans of Leeds added 6 to 123p and Lynton firmed 5 to 100p. News that McKay Securities had sold a 71 per cent interest in its Reading warehouse complex for approximately £11m lifted the price 5 to 150p, but Dares Estates slipped a penny to 25½p following the interim results and proposed rights issue.

Second quarter figures in line with most market expectations left Shell two pence easier at 332p, after 326p. Elsewhere in the Oil sector, British Petroleum fluctuated narrowly before settling without alteration at 1200p, but the withdrawal of speculative support prompted a reaction of 8 to 256p in Lasmo. The half-yearly statement had little impact on Ultramar, unaltered at 314p, after 318p. Siebens (UK) edged up 4 to 280p and Tricentrol put on a similar amount to 232p.

Trusts encountered a useful demand and closed with widespread gains while, in Financials, Park Place were noteworthy for a rise of 5 to 73p.

SEET, a firm market of late, met selling after the preliminary results and gave up 5 to 72p, but Corah responded to the half-yearly statement with a rise of 1½ to 40½p. Elsewhere in the Textile sector, renewed support left Lister up 4 more at 65p and Rivington Reed 2 further at 70p, while demand from Ireland prompted a rally of 5 to 23p in Youghal.

Rubbers plotted an irregular course in moderate trading. Jitra put on 4 to 147p while Anglo-Indonesian firmed 5 to 115p as did London Sumatra, to 270p. Guthrie, however, cheapened 5 to 540p. Despite the profits setback, McLeod Russel closed unaltered at 280p in Teas.

Activity in South African Golds remained at a low level. Prices were marked down at the outset, reflecting the initial weakness of the bullion price, but they subsequently recovered to close showing little change on balance as American buying followed the rally in the metal price.

The latter was finally $2 easier at $298.125 an ounce. The Gold Mines index registered a 0.8 gain at 167.1 and the ex-premium index put on 0.1 at 147.1.

South African Financials were generally quiet with the notable exception of General Mining which added 10 more to 555p in response to further Johannesburg buying. Gold Fields of South Africa were unaltered at the same price in front of the annual results expected today.

Selection Trust were a feature in London Financials as persistent buying in a restricted market pushed the shares 16 higher at 530p. Rio Tinto-Zinc eased towards the close and ended a penny harder at 298p, after 300p.

In an otherwise easier Coppers section, Roan Consolidated Mines continued to attract American support which left the shares 10 up at 85p, making a two-day gain of 15. Minorco, however, dipped 5 to 160p and Palabora were marked down 20 to 450p.

Australians held steady despite a downturn in overnight domestic markets. Bougainville rose 5 to 130p following the doubled interim dividend and increased profits, while Peko-Wallsend were well supported in the late trade and advanced 13 to 345p.

Elsewhere, the Irish-Canadian Northgate Exploration gained 5 to 350p, after 365p, following the improved second-quarter results.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	1500	20	1	58	—	24	—	1200p
Cons. Gold	240	7	2	15	—	21	—	221p
Courtaulds	90	5½	5	8	—	12	—	89p
GEC	360	48	7	70	—	82	—	395p
GEC	300	26	4	48	—	62	—	"
GEC	480	10½	73	32	—	45	4	"
Grand Met.	132	17	4	25	—	—	—	151p
ICI	300	52	—	55	—	57	15	344p
ICI	330	24	—	30	5	36	1	"
ICI	360	0½	—	15	1	—	—	"
Land Secs.	220	30	22	53	18	65	—	313p
Land Secs.	300	24	12	38	—	53	—	"
Land Secs.	330	7	41	24	—	37	—	"
Marks & Sp.	110	15	34	12	8	25	—	121p
Marks & Sp.	120	7½	4	13	2	18	—	"
Marks & Sp.	130	2½	4	8½	—	—	—	"
Shell	300	42	6	—	—	—	—	333p
Shell	325	24	2	34	6	—	—	"
Shell	350	12	3	22	—	—	—	"
Shell	375	5	1	14	—	—	—	"
Totals			225		40		21	
		August		November		February		
BOC Intl.	70	6	—	7½	25	9½	—	74p
Imperial Gp.	80	17½	4	12½	—	—	—	97p
Imperial Gp.	90	7½	4	9	—	13	—	"
RTZ	280	18	8	37	—	48	16	229p
RTZ	300	6	7	34	—	37	—	"
RTZ	330	1½	—	14	10	25	—	"
Totals			23		35		16	

FINANCIAL TIMES STOCK INDICES

	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 10	Aug. 9	A year ago
Government Secs.	73.03	74.08	73.69	73.52	73.74	73.98	70.69
Fixed Interest	74.92	74.72	74.45	74.52	74.48	74.54	72.22
Industrial	479.7	474.2	475.1	476.6	470.0	467.4	509.5
Gold Mines	167.1	166.3	162.9	162.2	169.6	166.8	187.3
Gold Mines (Ex-$ pm)	147.1	147.0	145.8	150.2	153.0	151.7	126.2
Ord. Div. Yield	5.79	5.84	5.83	5.82	5.89	5.91	5.27
Earnings, Yld. % (full)	16.98	17.26	17.23	17.21	17.38	17.53	15.76
P/E Ratio (net) (*)	7.42	7.39	7.38	7.41	7.33	7.17	8.48
Total bargains	15,457	14,222	15,701	16,126	16,660	18,228	—
Equity turnover £m	—	55.35	69.15	74.15	72.90	87.25	79.55
Equity bargains total	—	10,972	10,761	11,916	11,474	15,651	14,665

10 am 476.6, 11 am 480.7. Noon 481.1. 1 pm 480.8. 2 pm 480.8. 3 pm 480.0.
Latest Index 01-246 8026.
* Nil=7.74.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	66.03 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	446.1 (15/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (9/5)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines Ex. $pmt.	169.5 (9/5)	98.8 (2/1)	337.1 (3/4/74)	54.3 (28/6/76)

S.E. ACTIVITY

	Aug. 16	Aug. 15
—Daily		
Gilt Edged	156.0	125.1
Industrials	132.1	132.3
Speculative	28.0	22.9
Totals	91.6	81.0
5-day Average		
Gilt Edged	126.5	156.6
Industrials	136.1	136.5
Speculative	34.6	34.6
Totals	80.3	90.5

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
ICI	£1	11	345	+4	416	314
GEC	25p	10	394	+1	454	311
Shell Transport	25p	9	332	−2	402	276
BAT Inds.	25p	8	287	+5	352	256
Barclays Bank	£1	7	445	+10	514	360
Beecham "New"	25p	7	147	+4	147	130½
Glaxo	50p	7	435	+7	500	422
Rank Org.	25p	7	219	+3	300	206
Cons. Gold Fields	25p	6	219	+3	256	178
GKN	£1	6	273	+2	309	266
LCP Hldgs.	25p	6	126	+13	126	82
Rush & Tompkins	25p	6	160	+3	161	99
Spillers	25p	6	51	+1½	51	30½
Ultramar	25p	6	314	—	320	197
Unitech	10p	6	202	+2	238	160

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Aug. 6	Aug. 17	Nov. 1	Nov. 12
Aug. 20	Aug. 31	Nov. 15	Nov. 26
Sep. 3	Sep. 14	Nov. 29	Dec. 10

For rate indications see end of Share Information Service

Stocks favoured for the call included Avana, Savoy "A", Stocklake Holdings, Spillers, Allied Colloids, Howard and Wyndham, Sears, Norvic, Scottish and Newcastle, Belhaven Brewery, Burmah Oil, Stylo Shoe, Silverthorne, Inveresk and Burton Warrants. No puts were reported, but double options were arranged in Avana, MFI, Sears, Mills and Allen Warrants and Shell Transport.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	4	17	65
Corpns. Doms. and Foreign Bonds	37	1	27
Industrials	508	[illegible]	[illegible]
Financial & Props.	236	22	139
Oils	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Others	76	[illegible]	[illegible]
Totals	984	163	1,291

APPOINTMENTS

Charles Clifford senior post

Mr. B. H. Ancott, a director of CHARLES CLIFFORD INDUSTRIES, has been appointed managing director.

★

The ZOOLOGICAL SOCIETY OF LONDON has appointed Mr. Michael Hanson as director of administration and Professor J. Michael Bedford, director of science. Mr. Hanson is at present regional manpower services director for London, the principal regional representative for the Secretary of State for Employment, and will take up his new position in September on the retirement of Miss E. M. Owen. Professor Bedford is Professor of Reproductive Biology and of Anatomy and Acting Director, Department of Animal Medicine, Cornell University Medical College, New York. He will join the Society's staff in June, 1980 on the retirement of the present director of science, Dr. L. G. Goodwin.

★

Mr. J. C. Harrison has been appointed senior principal surveyor of the refrigeration department of LLOYD'S REGISTER OF SHIPPING in place of Mr. J. J. Wilson, who retires at the end of September. Mr. C. A. W. Rennie succeeds Mr. Harrison as principal surveyor for Portugal.

★

Mr. David Kirby has been appointed general manager of CORY LIGHTERAGE succeeding Mr. Joe Crozier who relinquished his position as managing director to become lighterage consultant of group companies OCEAN TRANSPORT AND TRADING. Mr. Timothy Sawyer has been made project development manager of Ocean Cory Trading, a member concern.

★

Professor Patrick Rivett has been appointed chairman of the PETROCHEMICALS SECTOR WORKING PARTY of the National Economic Development Office. He is professor of operational research at the University of Sussex and also an adviser to the Midland Bank and consultant to the Home Office.

★

Mr. Anthony P. Benson has been appointed by ARTHUR GUINNESS SON AND CO. to the new post of risk manager from October 1.

★

Mr. W. R. Tregoning has been appointed to the new position of vice-president finance and administration of SEAGRAM EUROPE. He has been financial manager of that company since March, 1978, and had been with Seagram Distillers in the UK as financial director since 1975.

★

Mr. Craig E. Bentley has been elected assistant vice-president of the HARRIS BANK, Chicago. He is in the Paris representative office of the bank's international banking group.

★

Mr. W. R. Daws, company secretary of MANUFACTURERS HANOVER EXECUTOR AND TRUSTEE COMPANY, has been appointed a director of that company. Mr. Joseph A. Longobardi has been named a vice-president in Manufacturers Hanover Trust's international division. He is at present a representative of the bank for Austria and Germany.

★

Mr. John Greves, group company secretary and financial controller of DOWDING AND MILLS, has been appointed to the Board's of the company's six regional subsidiaries.

★

Mr. Eugene J. Cronin has been made president of a newly-established company, DOCUMATION WORLD TRADE CORPORATION, Esher, Surrey. Mr. Cronin is a director and founder member of the Florida-based parent company, Documation Incorporated. Other appointments at the new company are Mr. James R. Callison, vice-president, field operations; Mr. Clarence Hall, vice-president, European manufacturing; and Mr. Charles Higdon, controller.

★

Mr. Sydney Forshaw, Mr. John Maybery and Mr. Stephen Cooke, managers of CUPRINOL, have been appointed to the Board.

★

Major-General Paul Travers is to become vice quarter-master general, MINISTRY OF DEFENCE and will succeed Major-General W. D. Mangham, who is to retire.

★

Mr. Julian Brayne has been appointed marketing director by KAWNEER UK.

★

Mr. John F. Kimbel has been named vice-president of world-wide proposals management and sales administration of the PULLMAN KELLOGG division of Pullman Incorporated.

★

Mr. Michael X. FitzPatrick has been appointed managing director of TRUSEAL, newly established European subsidiary of the Cincinnati based Intercontinental Valve Manufacturing Company. The new company has been formed to provide technical and commercial support in the UK, mainland Europe and the Middle East for the IVMCO range of positive shut-off petroleum valves, which are made in this country.

★

Mr. Keith Hocking has been appointed managing director of BIS-DELTAK and Mr. Michael Grott joins the company as operations director. The company is a member of the British Intelligence Services Group.

★

Mr. Harry Horton, production development director of BRITVIC, has retired but remains a consultancy director.

★

Mr. Noel G. J. Tuck has resigned as a director and secretary of BURROUGHS MACHINES following his transfer to Burroughs Corporation's headquarters in Detroit, U.S., where he has become director, international tax.

★

Mr. P. Hollander has been appointed chairman of SIKKENS UK, Didcot, which was set up to market products of Sikkens B.V. of Sassenheim, Holland.

FOOD PRICE MOVEMENTS

	August 16 £	Week ago £	Month ago £
BACON†			
Danish A.1 per ton ...	1,180	1,180	1,180
British A.1 per ton ...	1,140	1,140	1,120
Ulster A.1 per ton	1,140	1,140	1,120
BUTTER†			
NZ per 10 kg	13.20/13.37	13.20/13.37	—
English per 10 kg	16.78	16.78	—
Danish salted per 10 kg	17.15	17.15/17.69	—
CHEESE‡			
English cheddar	1,449	1,409/1,449	—
Irish cheddar	1,481.03	1,481.03	—
Danish cheddar	—	—	—
EGGS*			
Home produced:			
Size 4	3.10/3.60	3.10/3.30	2.90/3.20
Size 2	3.90/4.00	3.80/3.90	3.60/3.80
	August 16 p	Week ago p	Month ago p
BEEF			
Scottish killed sides ex-KKCF	62.0/66.0	60.0/66.0	65.0/70.0
Eire forequarters	42.0/44.0	40.0/43.0	39.0/43.0
LAMB			
English	56.0/60.0	56.0/60.0	58.0/62.0
NZ PLs/PMs	48.0/49.5	48.0/49.5	49.0/51.0
PORK			
All weights	34.0/43.0	34.0/43.0	35.0/44.0
POULTRY			
Oven-ready chickens ...	41.0/44.0	41.0/44.0	41.5/44.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ 20-kg rindless blocks, delivered, per tonne.

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (57)

BRITISH FUNDS (2)
Treasury 3pc 1979 | Elect. 4½pc '74-79
AMERICANS (1)
Fluor Corp.
BANKS (1)
Trade Development
BEERS (1)
Burtonwood Brewery
BUILDINGS (2)
Finlan (J.) | Lawrence (W.)
ELECTRICALS (3)
Sound Diffusion | Wholesale Fittings
Telephone Rentals
ENGINEERING (3)
Green's Economiser | Tecalemit
Rotork
FOODS (2)
Spillers | Stocks (J.)
INDUSTRIALS (13)
British Cine. | Jentique
Cape Industries | Le Bas (E.)
Crosby House | Mettoy
Diploma | Natl. Carbonising
Feeder Agricultural | N.C.R. 4pc '93-98
Granada A | United Carriers
Halma
MOTORS (1)
Plaxton's
NEWSPAPERS (1)
Home Counties
PROPERTY (17)
Allied London | Kent (M. P.)
Bradford Prop. | Land Secs. 5½pc
Brixton Estate | Conv. 1985
Capital & Counties | Do. 6¼pc Conv. '85
Continental Scots | Do. 10pc Conv. '95
Co. Can. | Lynton
County & District | McKay Secs.
Fairview Ests. | Rush & Tompkins
Hammerson A | Town Centre Secs.
TEXTILES (1)
Pickles (W.) A
TRUSTS (5)
F. & C. Eurotrust | Ind. Inv. Tst. Jersey
London Inv. Trust | Park Place
Britannia Arrow | West of England
OILS (2)
Weeks Pet. | Weeks Pet. Ptd. Ord.
MINES (1)
Oilmin

NEW LOWS (6)

ELECTRICALS (1)
Dale Electric
ENGINEERING (1)
Hopkinsons
INDUSTRIALS (1)
Goldman (H.)
LEISURE (1)
Nationwide
TEXTILES (2)
Beales (J.) | Martin (A.)

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
‡‡	F.P.	24/8	75	60	Arrow Chemicals	72	+1	b2.0	2.5	4.0	15.5
‡‡	F.P.	27/7	[illegible]	[illegible]	Barlow Hldgs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	29.9
80½	F.P.	27/7	105½	[illegible]	Fairbairn Boats	102	[illegible]	[illegible]	[illegible]	[illegible]	7.3
150	F.P.	[illegible]	190	[illegible]	[illegible]	190	+8	[illegible]	[illegible]	[illegible]	7.8
‡‡	F.P.	10/8	37	30	Mettoy Dfd.	30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	St. George Assets 10p	37	+1	bd1.5	1.5	5.2	24.0
160	F.P.	8/8	198	194	Standard Tel. & Cables	195	+1	b8.0	3.1	6.1	11.7

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
¶91	F.P.	21/9	97	[illegible]	Bowthorpe 6½% Conv. Cum. Pref.	97	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	Bradford Prop. 10½% Cum. Pref.	103p	[illegible]
100	F.P.	20/7	101½	92	English & Overseas Inv. Conv.	[illegible]	[illegible]
¶22½	£10	22/11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	Lonrho 9% 2nd Mort. Deb. [illegible]	[illegible]	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	Do. 13½% 3rd Mort. Deb. [illegible]	[illegible]	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	Do. 13½% 3rd Mort. Deb. [illegible]	[illegible]	[illegible]
87	[illegible]	[illegible]	[illegible]	[illegible]	Scot. Agricultural Sec. 13½ Deb. [illegible]	[illegible]	[illegible]
100p	F.P.	7/9	[illegible]	[illegible]	Stonehill 10% Cum. Pf.	[illegible]	[illegible]
¶98	F.P.	24/8	[illegible]	[illegible]	Sund. & S. Shields Water 8% 1986	[illegible]	[illegible]
¶92	F.P.	18/10	[illegible]	[illegible]	Wrexham Water 8% 1984	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
14	Nil	[illegible]	[illegible]	[illegible]	Abwood Machine Tools	4pm	[illegible]
25	Nil	[illegible]	[illegible]	[illegible]	Bank & Commercial	40pm	[illegible]
110	Nil	[illegible]	[illegible]	[illegible]	Bank Leumi	20pm	[illegible]
A$2	Nil	[illegible]	[illegible]	[illegible]	Bank of New South Wales	39pm	[illegible]
30	Nil	[illegible]	[illegible]	[illegible]	Control Securities	10pm	[illegible]
25	Nil	[illegible]	[illegible]	[illegible]	Dawson Intl.	35pm	[illegible]
50	F.P.	[illegible]	[illegible]	[illegible]	Goodkind (W.)	60	[illegible]
50	Nil	[illegible]	[illegible]	[illegible]	Goldberg (A.)	[illegible]	[illegible]
47	Nil	[illegible]	[illegible]	[illegible]	Hanson Trust	[illegible]	[illegible]
115	Nil	[illegible]	[illegible]	[illegible]	Hargreaves	[illegible]	[illegible]
88	Nil	[illegible]	[illegible]	[illegible]	Highland Dist.	[illegible]	[illegible]
155	Nil	[illegible]	[illegible]	[illegible]	Holt Lloyd Intl.	[illegible]	[illegible]
10	Nil	[illegible]	[illegible]	[illegible]	Intl. Timber	[illegible]	[illegible]
130	Nil	[illegible]	[illegible]	[illegible]	Lennons	[illegible]	[illegible]
110	Nil	[illegible]	[illegible]	[illegible]	Letraset	[illegible]	[illegible]
5	Nil	[illegible]	[illegible]	[illegible]	London Inv. Trust	[illegible]	[illegible]
5cts	Nil	[illegible]	[illegible]	[illegible]	Ovenstone	[illegible]	[illegible]
208	Nil	[illegible]	[illegible]	[illegible]	Sons	[illegible]	[illegible]
157	Nil	[illegible]	[illegible]	[illegible]	Stylo Shoes	316	[illegible]
10	Nil	[illegible]	[illegible]	[illegible]	Yorkgreen Invs.	1pm	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. |||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 Income shares and 10 Capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs., Aug. 16, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed., Aug. 15 Index No.	Tues., Aug. 14 Index No.	Mon., Aug. 13 Index No.	Fri., Aug. 10 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	249.25	+1.0	17.34	5.72	7.42	246.76	247.73	247.55	244.66	242.37
2	Building Materials (27)	232.96	+2.1	17.91	5.73	7.29	228.14	226.45	226.28	225.01	220.66
3	Contracting, Construction (28)	376.82	+1.3	24.24	5.75	5.16	371.91	369.47	368.54	362.75	400.76
4	Electricals (15)	626.27	+0.5	13.03	3.72	10.27	623.15	626.84	627.66	619.48	522.94
5	Engineering Contractors (12)	369.61	+1.0	19.59	6.54	6.38	365.95	368.59	368.67	365.15	352.35
6	Mechanical Engineering (74)	178.27	+0.9	18.69	6.52	6.83	176.72	178.82	178.74	176.69	193.22
8	Metals and Metal Forming (16)	165.43	+0.7	18.92	9.05	6.57	164.23	165.00	164.01	161.39	177.01
	CONSUMER GOODS										
11	(DURABLE) (52)	238.03	+1.1	15.44	5.07	8.13	235.41	235.71	235.51	231.83	219.37
12	Lt. Electronics, Radio, TV (16)	334.53	+0.9	12.07	4.01	10.70	331.46	332.40	332.60	326.81	244.70
13	Household Goods (13)	151.77	+0.9	19.19	7.20	6.39	150.34	150.24	149.81	148.53	187.47
14	Motors and Distributors (23)	115.97	+1.6	23.06	7.22	5.27	114.11	113.86	113.39	111.95	131.19
	CONSUMER GOODS										
21	(NON-DURABLE) (171)	244.15	+1.1	16.03	5.81	7.77	241.51	241.29	241.14	239.66	228.96
22	Breweries (14)	291.74	+0.6	15.54	5.24	7.67	289.95	287.56	285.21	284.71	252.51
23	Wines and Spirits (6)	322.64	+0.2	17.03	5.57	7.33	321.99	319.99	320.26	327.43	280.71
24	Entertainment, Catering (17)	313.92	+0.4	15.78	6.48	8.30	312.78	311.87	311.64	308.13	266.92
25	Food Manufacturing (19)	208.99	+1.2	18.88	6.36	6.59	206.49	206.11	205.92	204.19	215.64
26	Food Retailing (15)	320.00	+1.1	11.56	3.99	10.32	316.65	318.48	318.60	[illegible]	225.29
32	Newspapers, Publishing (12)	416.33	+0.5	22.72	6.99	6.17	414.41	413.33	410.67	[illegible]	397.49
33	Packaging and Paper (15)	129.58	+1.5	22.68	8.60	5.71	127.63	126.86	126.46	[illegible]	145.45
34	Stores (41)	254.86	+1.5	11.49	4.09	11.41	251.15	251.41	252.00	[illegible]	208.59
35	Textiles (23)	157.39	+1.8	23.22	9.79	5.45	154.66	155.63	155.48	[illegible]	182.68
36	Tobaccos (3)	247.49	+1.0	23.19	8.99	4.90	244.99	245.49	245.49	245.23	256.98
37	Toys and Games (6)	79.25	+0.6	21.81	8.50	5.82	78.76	78.21	77.08	74.20	120.30
41	OTHER GROUPS (99)	205.65	+1.5	15.49	6.12	7.95	202.69	202.74	202.51	199.57	213.59
42	Chemicals (18)	283.81	+1.2	17.88	6.81	6.53	280.31	280.63	280.86	277.68	300.88
43	Pharmaceutical Products (7)	229.73	+2.3	12.21	4.77	10.01	224.47	223.38	225.17	218.12	278.71
44	Office Equipment (6)	120.39	+1.1	16.42	6.97	7.65	119.09	120.58	119.85	118.68	136.90
45	Shipping (10)	453.07	+1.4	10.38	6.62	12.91	447.01	450.45	451.72	444.79	429.00
46	Miscellaneous (58)	246.44	+1.3	15.80	5.94	8.16	243.29	242.92	241.16	238.87	229.49
49	INDUSTRIAL GROUP (494)	243.00	+1.2	16.19	5.81	7.75	240.22	240.39	240.20	237.77	230.81
51	Oils (6)	639.56	−0.2	12.43	5.26	8.56	641.04	636.29	633.06	657.68	499.11
59	500 SHARE INDEX	275.30	+0.9	15.55	5.71	7.87	272.79	272.60	272.19	271.70	253.48
61	FINANCIAL GROUP (116)	194.42	+1.5	—	5.38	—	191.62	191.17	191.08	190.59	175.13
62	Banks (6)	226.78	+2.0	35.82	5.65	3.58	222.26	222.56	223.44	225.22	194.48
63	Discount Houses (10)	264.96	+0.6	—	6.93	—	263.39	264.30	265.36	261.67	214.25
64	Hire Purchase (5)	169.63	+1.1	19.56	5.12	6.55	167.71	169.06	166.73	166.17	168.78
65	Insurance (Life) (10)	155.06	+2.8	—	6.56	—	150.83	150.12	148.81	147.86	149.07
66	Insurance (Composite) (8)	127.86	+1.9	—	7.06	—	125.46	125.54	127.05	125.85	134.74
67	Insurance Brokers (10)	268.49	+0.3	18.65	6.83	7.67	267.61	267.24	266.14	261.70	356.92
68	Merchant Banks (14)	99.79	+0.4	—	5.52	—	99.40	99.24	98.81	98.18	84.87
69	Property (43)	374.71	+0.6	3.25	2.44	45.04	372.54	368.93	365.22	364.65	258.27
70	Miscellaneous (10)	118.80	+1.0	15.66	7.46	8.18	117.61	117.55	117.60	117.03	113.96
71	Investment Trusts (110)	215.14	+1.1	—	5.29	—	212.74	212.10	210.33	208.52	239.21
81	Mining Finance (4)	125.44	+0.5	15.88	6.02	7.72	124.82	123.13	122.95	120.43	109.96
91	Overseas Traders (20)	343.77	+0.2	15.31	7.41	7.98	343.03	341.75	340.75	335.81	325.98
99	ALL-SHARE INDEX (750)	252.21	+1.0	—	5.67	—	249.71	249.36	248.92	248.20	233.55

FIXED INTEREST PRICE INDICES

	British Government	Thurs., Aug. 16	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	105.21	−0.10	0.39	6.42
2	5-15 years	118.95	−0.02	—	7.86
3	Over 15 years	125.93	—	—	8.45
4	Irredeemables	139.71	—	—	7.24
5	All stocks	115.96	−0.04	0.35	7.36

	FIXED INTEREST YIELDS British Govt. Av. Gross Red.		Thurs., Aug. 16	Wed., Aug. 15	Year ago (approx.)
1	Low	5 years	9.81	9.75	8.70
2	Coupons	15 years	10.35	10.35	10.80
3		25 years	10.90	10.91	11.53
4	Medium	5 years	11.76	11.70	11.46
5	Coupons	15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High	5 years	[illegible]	[illegible]	[illegible]
8	Coupons	15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]

		Thurs., Aug. 16 Index No.	Yield %	Wed. Aug. 15	Tues. Aug. 14	Mon. Aug. 13	Fri. Aug. 10	Thurs. Aug. 9	Wed. Aug. 8	Tues. Aug. 7	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	56.43	13.60	56.41	56.31	56.36	56.24	56.10	56.07	[illegible]	57.65
16	Investment Trust Prefs. (15)	50.89	13.16	51.11	51.11	50.69	50.69	50.89	50.69	[illegible]	61.75
17	Coml. and Indl. Prefs. (20)	71.29	12.61	71.40	71.40	71.44	71.57	71.57	71.60	[illegible]	70.49

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

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AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt Int. Tst.	108.1	113.8	+0.2	3.13
Abbey Capital	38.8	40.6	+0.3	4.54
Abbey Income	44.6	47.4	+0.3	6.41
Abbey Inv. Tst. Fd.	37.4	39.8	+0.4	5.30
Abbey Gen. Tst.	51.1	54.4xd	-0.6	4.48
Equitas Prog. Tst.	70.9	74.8	+0.9	4.53

Allen-Hervey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	97.0	102.1xd	+0.4	12.01

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	74.5	79.7	+0.7	5.22
Brit. Inds. Fund	71.5	76.3	+0.8	5.35
Grth. & Inc.	41.4	44.3	+0.4	4.97
Elect. & Ind. Dev.	38.8	41.5	+0.4	4.48
Allied Capital	77.2	82.6	+0.6	4.84
Hambro Fund	119.3	128.2	+1.4	5.50
Hambro Acc. Fd.	140.2	150.0	+1.5	4.47

Income Funds

High Yield Fd.	73.2	78.3xd	+0.5	8.74
High Income	71.8	76.8	+0.5	7.03
A. H. Eq. Inc.	41.4	44.3xd	+0.3	7.31

International Funds

International	25.0	27.8	+0.1	2.91
Pacific Fund	36.6	39.2	.....	2.27
Secs. Of America	57.4	61.4	+0.4	2.05

Specialist Funds

Smaller Co.'s Fd.	47.6	50.9	+0.1	3.93
2nd Smlr. Co's Fd.	58.9	63.0	+0.2	3.97
Recovery Sits.	114.5	122.5	+0.9	5.36
Met. Min. & C'dty.	46.9	50.2	+0.3	5.18
Overseas Earnings	57.9	62.0	+0.7	4.68

Exempt Funds

Far East Exempt	45.3	47.1	.....	2.98
Smaller Co. Exempt	74.2	77.9	+0.3	4.42
U.S.A. Exempt	101.4	105.5	+0.8	2.09

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	54.0	58.4	.....	4.50

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	165.0	175.0xd	.....	10.00

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking 0306 5055

Friends Prov. Uts.	49.7	53.1	+0.5	4.60
Do. Accum.	66.6	71.3	+0.7	4.60

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Aug. 2	102.6	102.8	.....	4.86
Gross Inc. Aug. 2	73.8	76.2	.....	10.24
High Yield Aug. 2	86.7	89.2	.....	9.59

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Inc.	105.6	112.3xd	.....	4.00
Do. Acc.	131.2	139.5	.....	4.00
G.T. Inc. Fd. Un.	174.1	185.2	.....	8.10
G.T. U.S. & Gen.	136.2	144.8	.....	2.80
G.T. Japan & Gen.	79.8	84.8	.....	2.20
♦Gt. Pens. Ex. Fd.	209.4	219.8xd	.....	5.60
G.T. Int'l. Fund	151.5	161.1	.....	2.10
G.T. Four Yds. Fd.	53.4	56.8	.....	7.90
G.T. Far East & Gen.	43.9	47.2	.....	3.40

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	36.6	39.1	+0.5	4.92

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Tst.	26.4	28.4	+0.4	0.88
British Tst. (Acc.)	64.8	69.7xd	+0.8	3.18
Commodity Share	29.6	31.8	+0.1	3.17
Extra Income Tst.	24.4	26.2	+0.2	9.42
Far East Trust	31.2	33.5	.....	0.14
High Income Tst.	59.1	63.6xd	+0.4	9.41
Income Fund	76.9	82.7xd	-0.4	7.39
Ins. Agencies	14.26	15.34	+0.18	4.17
Intl. Exempt Fd.	94.5	102.0	+0.8	6.80
Intl. Tst. (Acc.)	31.2	33.6	+0.3	0.99

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

Extra Income	29.8	32.4xd	+0.2	9.50
Income	42.5	46.2	+0.3	9.00
Accumulation	79.3	86.2	+1.0	4.40
Growth	42.8	46.5	+0.5	4.70
Capital	47.5	51.6	+1.2	3.80
Small Co's	48.1	52.3	+0.6	4.10
Technology	70.1	76.2	+0.2	4.70
Private	46.7	50.8xd	+0.6	4.30

INSURANCE & PROPERTY BONDS

OFFSHORE & O'SEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	US$6.48	+0.25	—

Net asset value August 16.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Gilt Edg Fd	£12.28	12.35xd	+0.03	11.76

Arbuthnot Securities (C.I.) Limited
P.O. Box 284 St. Helier Jersey 0534 76077

Cap. Tst. (Jersey)	89.5	93.0xd	.....	13.71

Next dealing August 20.

Gov't Secs. Tst.	124.0	128.0	.....	7.81

Next dealing date August 20.

East & Intl. Tst. (CI)	104	111	.....	3.38

Next dealing date Aug. 23.

Australian Selection Fund NV
Market Opportunities, c/o Irish Young & Outhwaite, 127 Kent St., Sydney

USS1 Shares	$US1.48	.....	—

Net asset value November 24.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	[illegible]	110.49	.....	8.37

Prices at August 9. Next sub. day August 15.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

Renta Fund	[illegible]	61.62	-0.23	8.15

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806

Barb. Int. Fund	86.9	92.0	+2.1	5.00

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Overseas Income	46.3	48.7xd	.....	12.40
Unidollar Trust	$US12.74	12.87	.....	1.76
Unibond Trust	$US99.10	100.06	.....	9.00

1, Thomas St., Douglas, Isle of Man. 0624 4856

Unicorn Aust. Ext.	45.1	48.5xd	+3.1	1.80
Do. Aust. Min.	34.6	47.2	+1.3	1.60
Do. Grtr. Pacific	67.4	72.5	.....	—
Do. Intl. Income	35.3	38.0	.....	9.20
Do. Isle of Man Tst.	45.0	48.4xd	.....	9.30
Do. Manx Mutual	27.5	29.6	.....	1.70

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC *July 2	US$38.54	40.98	.....	—
CANRHO **Aug. 6	£0.798	0.846	.....	—

Keyser Ullmann Ltd.
25 Milk Street, EC2V 8JE. 01-606 7070

Fonselex	Fr1,366	1,500	.....	2.30
Bondselex	Fr138.10	124.00	.....	2.40
Central Assets	£149.47	149.52	+0.09	—

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	9.59	9.63	.....	11.50
Gilt Trust (I.o.M.)	106.0	108.8xd	.....	11.50
Gilt Fnd. Guernsey	10.06	10.10	.....	11.50

Intl. Govt. Secs. Tst.

First Sterling	£21.55	21.93	.....	—
First Intl.	[illegible]	238.17	.....	—

Kleinwort Benson Limited
20, Fenchurch St., EC3. 01-623 8000

Eurinvest	LF1,132		-3	4.42
Guernsey Inc.	65.4	69.5	.....	4.82
Do. Accum.	83.2	88.3	.....	4.82
KB Far East Fd.	US$13.27		.....	2.26
KB Gilt Fund	£10.95	11.00xd	.....	11.86
KB Int Bd Fd Inc	102.71		.....	8.20
KB Int Bd Fd Acc.	109.33		.....	.....
KB Intl. Fund	$US12.87		.....	2.18
KB Japan Fund	$US32.17		.....	0.93
K.B. U.S. Gwth. Fd.	$US14.60		.....	1.44
Signet Bermuda	$US5.48		.....	1.82

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561

Lloyds Tst. O'seas	54.4	57.3	.....	3.10

Next dealing September 17.

Lloyds Trust Gilt	10.28	10.29xd	.....	11.75

Next dealing August 22.

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneve 11 (Switzerland)

Lloyds Int. Growth	SF362.50	398.00	.....	1.10
Lloyds Int. Income	SF294.50	306.00	.....	5.20

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588

Atlantic Aug. 14	$US3.82	4.18	.....	—
Aus. Ex. Aug. 15	$US3.05	3.45	.....	—
Gold Ex.Acc.	$US18.32	20.37	.....	—
Island	141.3	150.4	+0.2	4.22
(Accum Units)	205.9	219.0	+0.4	4.22

Midland Bank Tst. Corp. (Jersey) Ltd.
28-34, Hill St., St. Helier, Jersey. 0534 36281

Midland Drayton Gilt	102.8	103.4	.....	11.50

Samuel Montagu Ldn. Agents

NOTES

SURVEYORS VALUERS AND AUCTIONEERS OF REAL ESTATE

Healey & Baker

01-629 9292

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

1979 High	Low	Stock	Price £	+ or −	Int.	Red. Yield
107	100	Do. 14pc '79	101	......	14.24	—
108¼	98¾	Do. 14pc '83	104½	+1	13.40	12.59
86½	77½	ICFC 5½pc Deb. '80-82	83½xd	+½	6.58	11.90
85	71½	Do. 6¾pc Db. '81-84	79½	+½	8.04	12.10
99	84½	Do. 10½pc Uns. Ln. '86	93	......	11.46	12.40
99	84½	Do. 11pc Uns. Ln. '88	95	+½	11.51	12.10
101½	84	Do. 11¾pc Uns. Ln. '90	96½	......	12.35	12.60
72½	57	Do. 7¼pc ADeb. '89-92	67	+½	11.11	12.80
69	53½	Do. 7¼pc A Db. '91-94	64xd	+½	11.32	12.70
81½	64½	Do. 9pc 'A' '91-94	75½xd	+1	11.92	12.70
78½	62½	Do. 8⅞pc Ln. '92-97	72½xd	......	12.24	12.70
102	95½	Do. 12½pc. Uns. Ln. 1992	98½xd	+½	12.69	12.70

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 33⅞% (based on US$2.2325 per £)

Conversion factor 0.8805 (0.8838)

CANADIANS

S.E. List Premium 33⅞% (based on 2.6158 per £)

BANKS AND HIRE PURCHASE

1979 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
£17¾	930	Com'zbk DM 10	£10¼	......	Q26.6%	—	6.6	—
£18½	£10¼	C'hgn. Hbk. Kr100	£10¼	......	Q12%	—	11.1	—
41	29	Corinthian 10p	38	+2	1.05	5.9	3.9	4.4
£24¾	£15	Cred. France F75	£17	......	Q9.87%	—	3.8	—
16	12	Dawes (G. R.)	13	......	—	—	—	—
£121	£64	Deutsche Bank DM50	£66½	−1	Q28.12%	—	5.2	—
90	63	F. C. Finance	63	......	2.2	4.9	5.0	5.8
8¼	5¼	First Nat. 10p	6	......	—	—	—	0.4
4	2	Do. Wrrts. 75-83	2½	......	—	—	—	—
266	178	Gerrard Natnl.	266	......	9.12	—	4.9	—
62	39	Gibbs (A.)	52	......	2.2	—	6.0	—
270	217	Gillett Bros. £1	223	......	†16.95	—	10.9	—

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

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Head Office: Osaka, Japan

MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	12	.....	—	—	—
14	4	ACM 20c	10	.....	—	—	—
171	100	Bougainville 50 Toea	130	+5	015c	1.0	5.9
140	84	B H South 50c	110	+2	—	—	—
860	340	Central Pacific	780	.....	—	—	—
318	170	Conzinc Riotinto 50c	214	−2	N810c	2.0	2.4
36	16	Cultus Pacific N.L.	19	.....	—	—	—
13	5	Eagle Corp. 10c	9½	.....	—	—	—
21½	11	Endeavour 20c	14	.....	—	—	—
98	62	G M. Kalgoorlie $1	85	−1	Z03c	—	1.8
42	23	Haoma Gold N.L.	29	.....	—	—	—
210	148	Hampton Areas 5p	205xd	.....	3.5	2.8	2.4
71½	25	Metals Ex. 50c	44	−1	—	—	—
275	168	M.I.M. Hldgs. 50c	202	+2	†Q9c	1.7	2.3
15	15	Minefields Expl.	15	.....	—	—	—
74	30	Mount Lyell 25c	46	+2	—	—	—
44	14	Newmetal 20c	16	.....	—	—	—
141	91	North B. Hill 50c	110	.....	†Q8c	1.3	5.7
22	11	Nth. Kalgurli	18	.....	—	—	—
40	22	Nth. West Mining	29	−1	—	—	—
137	76	Oakbridge $A1	91	+4	Q12c	1.9	6.9
40	22	Otter N. L.	40	+1	—	—	—
120	58	Pacific Copper	108	−2	—	—	—
£10¾	625	Pancont'l 25c	762	−13	—	—	—
25⅜	15½	Paringa M&E 5p	22½	.....	—	—	—
510	268	Peko-Wallsend 50c	345	+13	Q15c	3.3	2.2
340	145	Southern Pacific	295	.....	—	—	—
29	11	Swan Resources 20c	18	.....	—	—	—
16	12	West Coast 25c	13	.....	—	—	—
188	121	Westn. Mining 50c	152	+2	†Q3c	0.7	0.9
11	9	Westmex	10	.....	—	—	—
65	50	Whim Creek 20c	60	.....	—	—	—
25	13	York Resources	13	.....	—	—	—

TINS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	27	−1	2.61	1.5	14.9
435	265	Ayer Hitam $M1	325	+10	Q300c	0.5	18.8
72	51	Beralt Tin	51	.....	4.0	3.3	11.2
270	175	Berjuntai $M1	190	−5	095c	ϕ	11.6
160	125	Geevor	130	.....	8.71	3.1	9.6
10½	8	Gold & Base 12½p	8	.....	—	—	—
365	295	Gopeng Cons.	310	.....	†15.0	1.4	8.3
370	295	Hongkong	320	.....	†12.5	2.8	5.6
98	64	Idris 10p	85	.....	†8.0	1.6	13.4
14	9½	Jantar 12½p	11	.....	—	—	—
95	58	Kamunting $M0.50	80	.....	Q47½c	ϕ	14.4
620	210	Killinghall $M1	340	.....	—	—	—
465	365	Malay Dredging $M1	435	.....	†175c	0.7	1.5
57	28	ΔPahang	33	.....	—	—	—
123	60	Pengkalen 10p	120	.....	4.5	1.2	5.6
275	195	Petaling $M1	240	.....	†Q120c	1.3	10.7
85	62	Saint Piran	75	.....	†2.03	6.6	3.9
58	43	South Crofty 10p	43	.....	†4.19	2.0	13.9
230	170	South Kinta $M0.50	210	.....	8150c	ϕ	17.2
405	285	Sthn Malayan $M1	355	.....	†Q190c	1.0	11.5
310	210	Sungei Besi $M1	225xd	.....	Q520c	ϕ	51.9
75	40	Supreme Corp. $M1	45	.....	2810c	—	4.8
105	94	Tanjong 15p	97	.....	7.5	0.7	11.3
115	90	Tongkah H Tin	95	.....	†Q24c	0.7	5.7
280	190	Tronoh $M1	210	.....	Q25c	5.2	2.7

COPPER

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
111	56	Messina R0.50	84	−3	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	60	+2	—	—	—
13½	10	Burma Mines 17½p	11	.....	—	—	—
345	170	Cons. Murch. 10c	275	+10	Z030c	—	5.6
410	290	Northgate C$1	350	+5	—	—	—
362	226	R.T.Z.	298	+1	11.5	2.7	5.5
31	18	Robert Mines	25	−1	—	—	—
65	30	Sabina Inds. C$1	35	.....	—	—	—
880	525	Tara Expln. $1	550	.....	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

$17½	$10½	Buffels R1	$16⅛	..	Q200c	ϕ	15.0
$15¼	890c	East Drie R1	$12½	....	†Q115c	1.6	11.1
$10¼	350c	East Rand Prp. R1	950c	....	†Q10c	—	1.3
$27⅝	$18¼	F.S. Geduld 50c	$27	−¼	†Q315c	2.4	14.1
$19⅝	$11⅛	Pres. Brand 50c	$18½	−⅛	†Q150c	3.2	9.8
$18⅛	$10¼	St. Helena R1	$17	−¼	†Q190c	1.4	13.5
760c	407c	Stilfontein 50c	700c	+10	†Q66c	1.7	11.4
$35¼	$18¼	Vaal Reefs 50c	$31½	−¼	†Q280c	2.7	11.3
$50¼	$28¾	West Drie R1	$46	+¼	Q615c	ϕ	16.2
$36½	$22¼	West Hldgs. 50c	$32¼	−½	†Q415c	1.4	15.0
$18½	$10⅝	Western Deep R2	$24½	+⅛	†Q147c	2.1	13.2

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling or to EEC currencies are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¤ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- + Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

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This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	.....	Sindall (Wm.)	165	.....
Bertam	22	.....	**IRISH**		
Bdg'wtr Est. 50p	40S	.....	Con. 9% '80/82	£86xd	.....
Clover Croft	28	.....	Nat. 9¾% 84/89	£71½	.....
Craig & Rose £1	£11½	.....	Fin. 13% 97/02	£86¾	.....
Dyson (R. A.) A	26	.....	Alliance Gas	85	.....
Ellis & McHdy	180	.....	Arnott	330	.....
Fife Forge	54	.....	Carroll (P.J.)	100	−5
Finlay Pkg. 5p	19½	.....	Clondalkin	81	.....
Graig Ship. £1	315	.....	Concrete Prods.	7S	.....
Higsons Brew	75	.....	Heiton (Hldgs.)	74xd	.....
Holt (Jos) 25p	260	.....	Ins. Corp.	190	.....
I.O.M. Stm. £1	155	.....	Irish Ropes	70	.....
Pearce (C. H.)	265	.....	Jacob	40	.....
Peel Mills	30	.....	T M G	185	.....
Shell. Refrshmt	10S	.....	Unidare	81xd	−1½

OPTIONS

3-month Call Rates

Industrials		I.C.I.	24	Tube Invest.	30
A. Brew	9	"Imps"	8	Unilever	55
BOC Intl.	6	I.C.L.	55	U.D.T.	5
B S R	7	Inveresk	7	Utd. Drapery	10
Babcock	18	KCA	5	Vickers	18
Barclays Bank	32	Ladbroke	22	Woolworths	7½
Beecham	52	Legal & Gen.	14		
Blue Circle	18	Lex Service	11	**Property**	
Boots	18	Lloyds Bank	25	Brit. Land	7½
Bowaters	18	"Lots"	5	Cap. Counties	9
B.A.T.	28	London Brick	7	Land Secs.	25
Brown (J.)	50	Lonrho	8	MEPC	17
Burton 'A'	26	Lucas Inds.	25	Peachey	13
Cadburys	7	"Mams"	18	Samuel Props.	14
Courtaulds	10	Mrks. & Spncr.	11	Town & City	2¼
Debenhams	8	Midland Bank	30		
Distillers	21	N.E.I.	14	**Oils**	
Dunlop	6½	Nat. West. Bank	28	Brit. Petroleum	100
Eagle Star	14	Do. Warrants	15	Burmah Oil	13
E.M.I.	12	P & O Dfd.	10	Charterhall	5
Gen. Accident	21	Plessey	10	Premier	5
Gen. Electric	35	R H M	5	Shell	25
Glaxo	50	Rank Org.	25	Ultramar	25
Grand Met.	19	Reed Intnl.	18		
G.U.S. 'A'	30	Sears	5½	**Mines**	
Guardian	24	Spillers	4½	Charter Cons.	15
G K N	28	Tesco	7	Cons. Gold	20
Hawker Sidd.	26	Thorn	35	Rio T. Zinc	27
House of Fraser	18	Trust Houses	27		

A selection of Options traded is given on the London Stock Exchange Report page

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FINANCIAL TIMES

Friday August 17 1979

BELL'S
SCOTCH WHISKY
BELL'S

Spillers to raise prices early

By Christopher Parkes

SPILLERS, the second-biggest miller in Britain, is likely to announce an increase in the price of flour within a few days, rather than in September or October, as was previously expected.

Spillers may have been prompted to bring forward the move by the surprise takeover bid from Dalgety, the agricultural and food merchanting group, announced and promptly rejected on Wednesday. Spillers' shares rose 1½p yesterday to 51p, just above the offer value.

A recovery in milling margins could form a major plank in its defence against a takeover. Flour milling accounts for considerably more than half Spillers' profits.

Increases in the price of wheat this year, even without allowing for higher energy and labour costs, are enough to justify a rise of at least 10 per cent, equivalent to 1p on a standard large loaf.

Market experts, however, expect something more modest, between 5 and 7 per cent, with perhaps more to follow early in the new year.

The three largest millers in Britain, Spillers, Ranks Hovis McDougall and Associated British Foods are all keen to raise returns from flour, but they also have to keep an eye on the competition and avoid pitching prices too high.

There are some 40 independent flour producers in the country with much more flexibility and lower overheads than the big three.

Too big an increase from the market leaders could allow them room to expand their sales considerably.

"The others could make quite a lot of hay if the sun shone long enough," commented one senior company official.

The price of flour was last raised 17 months ago. Under normal circumstances, millers would be expected to hold back increasing the price until they had a chance to assess the home wheat harvest, which has yet to start.

Wheat prices usually fall sharply at the start of a new grain marketing season and these reductions would normally be taken into account in flour price calculations.

Young exit could hit U.S.-Arab relations

BY DAVID BUCHAN IN WASHINGTON

MR. ANDERW YOUNG'S dramatic departure as U.S. ambassador to the United Nations, following a major diplomatic row over his meeting with a Palestine Liberation Organisation official, could prove to be a serious setback to U.S.-Arab relations and to the Carter Administration's standing with black American voters.

Mr. Zehedi Terzi, the PLO representative in New York with whom Mr. Young held his clandestine meeting, described President Carter's acceptance of Mr. Young's resignation as giving in to "Zionist-Israeli blackmail." This echoed strong criticism around the Arab world and in Africa yesterday over Mr. Young's departure.

Prospects for a compromise UN resolution, on which Mr. Young had been working, which might serve as the basis for a deal between Israel and Egypt in their negotiations on the autonomy of the West Bank, are now virtually nil, according to U.S. officials.

Mr. Robert Strauss, U.S. mediator in the autonomy talks, flew to the Middle East yesterday for four days of consultations in Jerusalem and Cairo.

But even Israel, whose protests over the meetings triggered Mr. Young's downfall, seems not to have been placated by Mr. Young's departure. It sees his behaviour as part of a wider pattern of secret State Department dealings with the PLO.

The White House also faced bitter criticism from the American black community over Mr. Young's resignation. He had been the politically most prominent black member of the Administration. Black leaders, already cool towards the President because of his cuts in social and welfare programmes, predicted Mr. Carter might not win enough black votes to secure his re-election.

Late on Wednesday Mr. Jody Powell, the White House Press Secretary, announced the President's deep regret at the resignation, and the release of letters by Mr. Carter and Mr. Young to each other sounded as if they have parted on good terms.

Mr. Young's announcement said he wanted to help Mr. Carter get re-elected. But the U.S. black community seems to believe that Mr. Young was made the scapegoat for tactlessly allowing a changed U.S. policy towards the PLO to be made known publicly.

Professor Yehuda Blum, the Israeli ambassador to the UN, to whom Mr. Young had given his first account of his meeting with Mr. Terzi, yesterday expressed his sorrow at what had happened, despite what he described as the grave impropriety of Mr. Young's conduct.

But a newspaper in Atlanta, Mr. Young's home city, yesterday claimed that the U.S. ambassador had been followed in New York by Israeli agents to check on any contracts with the PLO.

Our foreign staff writes: At a Press conference held in the U.S. mission to the UN, Mr. Young urged black leaders not to allow the affair to become an excuse for anti-semitism.

In Jerusalem officials said Mr. Young's departure did little to soothe Israeli concern over a suspected shift in U.S. Middle East policy.

In Beirut a PLO spokesman said Mr. Young's resignation was the outcome of "ideological repression" and "blackmail."

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Vote row over Nigeria President

By Mark Webster in Lagos

NIGERIA'S new President is Alhaji Shagari, who will take office on October 1 after 13 years of military rule.

But the National Party of Nigeria candidate clinched his victory through a controversial decision by the Federal Electoral Commission on how the electoral law should be interpreted.

The decision has angered the other four contenders for the Presidency who expected a run-off, through an electoral college, between the two leading contenders for the post.

The other candidates had already said they do not accept the interpretation on which the decision is based.

Alhaji Shehu's election to the Presidency is likely to be welcomed by foreign business. A former Finance Minister, his party advocates an open market policy for Nigeria to encourage outside investment.

The President, who is 55, has said the greatest disincentive to investment has been the lack of guaranteed continuity in Government policies.

Controversy over his election arose over the constitution's requirement that, in addition to winning the most votes, a candidate had to win at least a quarter of the votes in two-thirds of the 19 states to win on the first round.

Protested

Two-thirds of 19 was taken to mean 13 states. The NPN won a quarter of the votes in 12 states and 20 per cent of the vote in a 13th state, Kano. But four days ago it said that the constitution did not specify what two thirds actually meant and gave its own interpretation.

The other parties protested at this and the outcome was expected to be decided in the law courts.

But the Federal Election Commission has full powers to decide on any matter concerning the elections and said yesterday: "In the absence of any legal explanation or guidance in the electoral decree it has no alternative but to give the phrase its ordinary meaning which applies of it."

The decision makes it a close victory for the NPN candidate. Although the party had consistently won the largest number of votes in the previous four ballots, it did not have an overall majority in either of the state houses of assembly or in the 19 state assemblies.

THE LEX COLUMN

Making sense of Shell's profits

With some embarrassed fluttering of its Fifo/Lifo petticoats, Shell has unveiled enormous and utterly misleading second-quarter profits. The reported figure is £710m net, which compares with £618m for the first quarter and a mere £394m for the second quarter of 1978. Had Shell not coyly postponed a £120m release of deferred tax, it could have announced net income of £100 a second.

By stripping out stock profits—£400m in the first half, mostly in the second quarter—some sort of sanity can be restored. On this basis the group's earnings were up by nearly a quarter over the first half of 1978, as the oil supply shortage allowed wider margins throughout its operations. But the underlying second-quarter figure, at £375m or so, was actually some £50m below first-quarter levels: so much for the bumper profits.

Some of this decline is accounted for by lower gas sales and other seasonal items, but it must partly reflect the slight easing of oil markets from the very height of the shortages. Since the third quarter began these markets have eased still further, and the process will be hastened by the slowing American economy unless OPEC proves itself unprecedentedly nimble at cutting back supplies as demand falls. If Shell expected the markets to tighten, it would hardly have allowed its stocks to fall to minimum operational levels.

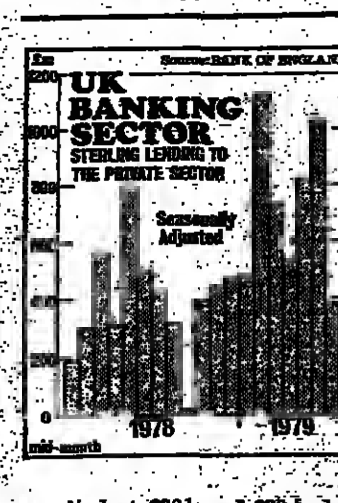
The third quarter will bring more stock profits and net earnings for the year, including the tax recovery, may be around £3.3bn before currency changes. But the underlying profit could be no more than £1.5bn, and in 1980 it may well be less than this.

At 332p the Shell T. & T. shares are standing at around seven times expected 1980 earnings. With profits set for a dull patch, the shares are unlikely to outperform the market, especially as the dividend—fixed by Royal Dutch in guilders—may offer only a token increase in yield to the Shell T. & T. investor from the present 3.8 per cent.

Money supply

The punters were queuing up for the partly-paid new tap, Exchequer 11¾ per cent 1984, yesterday morning. But when it became clear that the Government broker was not going to let it go cheaply, enthusiasm waned fairly quickly. It was

Index rose 5.5 to 479.7



supplied at £30½ and £30⅜, but ended the day at £30⅛. Counting in Wednesday's applications it is generally reckoned that around two-thirds of the tap has gone and the rest could follow fairly quickly.

Although the Government's funding programme is well ahead of schedule there is no room for complacency. In July sterling M3 grew by 0.8 per cent. This looks reasonable enough but has to be seen in the context of a sharp deceleration in bank lending, and gilt sales of £1bn. Over the past three months, when the authorities have sold £2.6bn of gilts to the non-bank private sector, sterling M3 has still been growing at an annualised rate of 14 per cent—comfortably ahead of the official target of 7-11 per cent.

For the gilt-edged market, the key question now is whether the sharp slow down in bank lending in July is just a hiccup of something more permanent. To get a proper picture it is necessary to add in the growth of bank acceptances held outside the banking sector. These came to £450m over the past couple of months—roughly equal to a third of the growth in normal bank lending.

So far this year the growth in bank lending has averaged £730m per month (leaving aside the growth in acceptance business). If the official money supply targets are going to be met, monthly bank lending (including acceptances) should be growing at no more than about £400m per month. This is a measure of the credit squeeze yet to come.

Royal Insurance

Royal Insurance has made an underwriting profit of £8.8m in the second quarter, but over the rest of the year it is not going to be able to repair the damage of the storm-hit first quarter when it lost £19.9m. The UK business is picking up smartly and is heading for useful profits. But Royal is now becoming noticeably *less* breezy about its prospects in the U.S. where it now seems to be heading for a loss of several million pounds this year compared with a profit of £10.5m last time. Canada and Australia have their problems too, and overall Royal could see last year's underwriting profit of £25.4m turn into a small loss in 1979.

At the same time, currency movements are holding back the rise in investment income. So at the pre-tax level the year's profits could be down from £153m to little more than £130m.

Yet the shares still rose 13p to 355p yesterday—and some brokers are now arguing that the composite insurance sector's years in the stock market wilderness could be drawing to a close. In aggregate the big companies are likely to report a modest overall profits decline this year, and 1980 will probably be flat too. But as General Accident showed on Wednesday, there are some big dividend increases coming from two or three of the companies. Any dividend covers could still be adequate for payments to rise by, say, a tenth in 1980—which is more than can be said with any confidence for most sectors. Meanwhile the shares yield substantially more than the market average. Royal, which has less room for big dividend increases than most, is probably on a prospective yield of about 8½ per cent.

BASF

The first half results for BASF are fully up to expectations. The upturn in the German chemicals business, coupled with a greatly strengthened contribution from BASF's refinery interests, has pushed pre-tax profits up by 58 per cent. The company does not expect to maintain this pace in the second half. Still, Westdeutsche Landesbank predicts earnings per share of DM 20.00—up from DM 12 and back at last to the 1976 level. The bank expects a dividend of at least DM 7.00, so the shares at DM 137 yield a prospective 5.1 per cent to foreigners. They are supported by a yield of 8 per cent to German investors who benefit from a tax credit. This return is handsomely in excess of that available on German Government bonds.

Industrial civil servants threaten action over pay

BY NICK GARNETT, LABOUR STAFF

THE PROSPECT of industrial action by over 160,000 industrial civil servants, whose dispute over pay last year disrupted part of Britain's defence system, emerged yesterday after discussions on the phasing of this year's wage agreement broke down.

A joint trade union meeting of negotiators is due on Monday to discuss what industrial action the negotiators should recommend to their union executives.

Negotiators for the industrial civil servants, whose action last year affected the country's nuclear submarine capability, had accepted a week ago increases of 22 to 30 per cent.

They were not prepared to accept proposals on staging the increases, however, which involved the payment of 9 per cent from July 1, 5 per cent from November 1 and the rest from next April. The unions wanted the total full payment on July 1.

Lord Soames, the senior Civil Service Department minister, met union officials yesterday but would not agree that the payments, which are based on the findings of the Pay Research Unit, should be paid without staging.

Mr. Mick Martin, Transport and General Workers Union national secretary, said last night that there would be industrial action unless the department changed its position. The union is organising a meeting of delegates at the end of the month to discuss the position.

More than a half of industrial civil servants work for the Ministry of Defence, carrying out a large range of duties from weapon building to operating lifts.

In the offer, the labourers' lowest rate would be increased from £44.80 to £54.50. The top craftsmen's rate would rise from £58.55 to £75.95.

BSC ore reaches Hunterston

By Ray Perman, Scottish Correspondent

THE BRITISH Steel Corporation is using Rotterdam and Glasgow docks in an elaborate procedure to supply its paralysed Hunterston terminal on the Clyde, with iron ore—at an extra cost of £800,000 a time.

Hunterston, one of the world's most modern terminals, able to accept ships of up to 300,000 tonnes, has been closed by an inter-union dispute since its £100m completion in April.

Ore that would have been unloaded directly from large bulk carriers at Hunterston is being taken instead to Rotterdam where it is transferred to small ships able to use Glasgow docks and unload at the obsolete General Terminus Quay.

The extra handling charges of the transfer amount to £5.50 per tonne, adding up to £800,000 for each 150,000 tonne ore shipment. But it is still cheaper for the corporation to take advantage of large bulk carriers by using Rotterdam than to use small vessels.

BSC has so far chartered two bulk carriers to Rotterdam since Hunterston's completion, and is expected to charter further vessels if the dispute goes on.

Yesterday, Atlantic Splendour, a bulk carrier on charter to BSC, finished unloading 150,000 tonnes of ore from Septiba Bay, Brazil, on to the quayside at Rotterdam. Two ships are waiting to ferry it in 15,000 tonne loads to Glasgow.

Normally, the Hunterston terminal will save £3.00 per tonne in handling costs over General Terminus Quay—giving an annual saving of £9m to £12m.

Dockers, members of the Transport and General Workers' Union, have blacked the terminal because they want the 30 new jobs at Hunterston to be designated as dockers' work. But the steel corporation wants them filled by redundant steelworkers who are members of the Iron and Steel Trades' Confederation.

Talks have been going on unsuccessfully for five months to try to settle the matter. A compromise formula was reached two weeks ago by Mr. Bill Sirs, general secretary of ISTC, and Mr. Alex Kitson, executive officer of the TGWU, but was last week rejected by dockers' shopstewards.

News Analysis Page 8

Jaguar deal 'pay-off' claim

BY K. K. SHARMA IN NEW DELHI

MR. RAJ NARAIN, chairman of India's Janata (Secular) Party which is the major partner in the ruling coalition Government, yesterday alleged that Rs1.5bn (£83.7m) has been given as "pay offs" for choosing Britain's Jaguar aircraft for the Indian air force.

This follows several weeks of pressure from Mr. Narain for a review of the Jaguar deal, which was signed in November last year and could be worth more than £1bn. Last week he warned that "full facts" were in his possession which implied that "undue pressure" was brought to bear in winning the contract.

It is widely believed that Mr. Narain's allegations are closely linked with India's current political crisis, and the vote of confidence which Mr. Charan Singh, the Prime Minister, faces in the Lower House on Monday. Mr. Narain is a close confidant of Mr. Singh. Mr. Jagjivan Ram, who is now leader of the opposition, was Defence Minister when the Jaguar deal was signed.

Mr. Narain said yesterday that it would be bad "circumstantial evidence" indicating that the Jaguar deal had been finished much earlier than November, when it was signed.

He alleged that the deal was clinched when Mr. V. Shankar, secretary to Mr. Morarji Desai, the former Prime Minister, visited London early in autumn, accompanied by Mr. Desai's son, Kantilal.

Mr. Narain argues that India should have bought the "superior" French Mirage F-1. The Pakistani Air Force flies Mirages, however, and is understood to be interested in the F-1. This alone makes Indian purchases of Mirages improbable.

Two Jaguars have already been delivered, and the Indian Government has paid a substantial advance on the deal. Penalty clauses make a full review of the deal unlikely.

Michael Donne, Aerospace Correspondent, writes: While British Aerospace declines to comment officially on the suggestion of bribery in the Jaguar contract with India, it is understood to be confident that any review would show that it has done nothing to merit criticism.

The Jaguar deal is expected to be worth well over £1bn to British Aerospace over the next few years, involving both the supply of completed aircraft from the UK and the eventual manufacture of aircraft under licence in India.

British Aerospace negotiated the deal over several years, during which time the Indian government held similar discussions with many other prospective suppliers, including France and the Soviet Union.

The Indian political accusations are clearly embarrassing to British Aerospace, but the UK group remains convinced that the Jaguar contract was fairly and honestly won.

New index 'fiddling', says TUC

BY CHRISTIAN TYLER, LABOUR EDITOR

THE GOVERNMENT'S new tax and prices index to be launched today, was branded by the TUC yesterday as an attempt to undo the damage caused by the Budget by "fiddling" with the cost of living figures.

Mr. David Lea, TUC assistant general secretary, said it would bring official statistics into disrepute, throw doubt on the political neutrality of the Central Statistical Office. It would also "open a Pandora's box of rival figures."

The TUC would continue to defend the Retail Prices Index as the agreed measure and trade union negotiators would ignore the new calculations.

"As part of the general Government move to exhort us on the need for wage restraint, this latest episode is totally lacking in credibility," he said.

Union leaders clearly view the Government's effort to put price inflation into the broader context of disposable income as a political gaffe that will strengthen their propaganda campaign against present economic policy.

A statement from Congress House challenged the Government's claim that tax cuts more than offset the rise in Value Added Tax and other Budgetary changes. It protested that the new index had not been put before the expert committee that advises on the RPI, and declared that any measurement of living standards should include public services — the so-called "social wage."

The income tax cut for the financial year 1979-80 had been £3.6bn. But indirect tax increases of £2.4bn plus public expenditure cuts of £2.5bn, the TUC said, left a net reduction in national real income of £1.3bn.

This translated into income tax cuts of £3.46 a week (including the Rooker-Wise inflation adjustment), an indirect tax rise of £2.31 a week, and a public services cut of £2.40 a week. Thus there was a net loss of £1.25 a week.

Mr. Lea said the TUC was not attempting to produce its own measure of the standard of living. Nor was it suggesting any figure for negotiators to aim at.

On Wednesday the Wales TUC said claims of 25 per cent were justified in the coming pay round.

The new index was also criticised by the Low Pay Unit, which called it "an attempt to ask working people to wear officially provided rose-tinted spectacles."

It plans to produce its own standard of living index for use by trade unions, alongside its existing "low-paid price index."

Both the unit and the TUC said the Budget tax cuts had been heavily weighted in favour of the higher paid. That cast further doubt on the authenticity of any index purporting to show that people were better off than they thought they were.

The Confederation of British Industry is making its own effort to drive home the message to the shopfloor that wage claims set at the current rate of price inflation would be self-defeating.

Last night Sir John Methven, director general, told a businessmen's dinner on Teesside that "the road hogs of the coming pay round have to be curbed."

Weather

UK TODAY

SHOWERS with bright intervals Rather cool.

London, England (except S.W.), N. Wales, N.W., S.W. Scotland, Borders, Edinburgh and Dundee, Glasgow, Cent. Highlands, Argyll, Isle of Man, N. Ireland

Scattered showers with sunny intervals. Rather cool. Max. 19C (66F).

S.W. England, S. Wales, Channel Isles

Mainly dry, sunny intervals. Max. 18C (64F).

N.E. Scotland, Aberdeen, Moray Firth, Orkney

Rain at times, becoming mainly dry. Max. 16C (61F).

Shetland

Bright at first, rain later. Max 12C (54F).

Outlook: Becoming mainly dry and warmer.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	24	75	Lisbon	S	25	77
Algiers	C	27	81	Locarno	C	24	75
Amsdm.	C	18	66	London	F	18	64
Athens	S	28	82	Luxmbo.	C	13	55
Bahrain	S	35	95	Madrid	S	23	73
Barclna.	S	25	77	Majorca	S	25	77
Belfast	R	13	55	Malaga	S	27	81
Berlin	S	29	84	Malta	S	29	84
Biarritz	F	20	68	M'chstr	C	17	63
Bmghm.	C	17	63	Melbne.	R	8	48
Blackpl.	C	17	63	Milan	S	29	84
Bordx.	F	20	68	Mntreal.	C	18	65
Boulgn.	F	17	63	Moscow	F	22	72
Bristol	C	16	61	Munich	C	21	70
Brussels	C	18	64	Nairobi	C	19	66
Budpst.	F	26	79	Naples	C	26	79
B. Aires	C	18	66	Nwcstl.	C	17	63
Cairo	S	32	90	N. York	S	21	70
Cardiff	C	18	61	Nice	C	25	77
Cas'b'ca	S	25	77	Nicosia	S	37	99
Cape T.	S	16	61	Oporto	S	22	72
Chicago	C	21	70	Oslo	R	12	54
Cologne	R	13	55	Paris	F	21	70
Cophgn.	S	22	72	Perth	S	14	57
Corfu	S	27	81	Prague	S	29	84
Dublin	R	13	55	Reykjvk.	C	10	50
Dbrvnk.	S	26	79	Rhodes	S	26	79
Edinbgh.	C	16	61	Rio Jo	C	25	77
Faro	S	26	79	Rome	S	29	84
Florence	S	31	88	Salzbrg.	C	25	77
Frankft.	C	17	63	Singapr.	S	30	86
Funchal	F	22	72	Stckhm.	S	21	70
Geneva	R	14	57	Strasbg.	R	14	57
Gibrltr.	S	29	84	Sydney	C	17	63
Glasgow	C	15	59	Tangier	S	25	77
G'nsey	F	15	59	Tel Aviv	S	28	82
Helsinki	S	25	77	Tokyo	C	31	88
H. Kong	S	31	88	Toronto	C	18	65
Innsbrk.	F	27	81	Tunis	S	36	97
Invrnss.	F	18	81	Valencia	S	27	81
I.o.Man	R	13	55	Venice	S	28	82
Istanbul	F	26	79	Vienna	S	28	82
Jersey	C	17	63	Warsaw	S	25	77
Jo'burg	S	16	61	Zurich	R	14	57
L. Pims.	C	22	72				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Tioxide

Statement of unaudited results for the half year to 30 June 1979

Half Year to 30 June 1978	Half Year to 31 Dec. 1978		Half Year to 30 June 1979
£'m	£'m	External Sales	£'m
67.66	69.12	Tioxide and subsidiaries	78.97
3.63	3.89	Associated companies – attributable share	6.09
		Profit/(loss) before Taxation	
3.68	3.02	Tioxide & subsidiaries	5.87
(1.10)	(0.69)	Associated companies – attributable share	(0.24)
2.58	2.33		5.63
		Taxation	
1.23	1.10	Tioxide and subsidiaries	3.02
0.05	(0.05)	Associated companies	0.08
1.30	1.28	Profit after Taxation	2.53
0.13	0.36	Minority Interests	0.21
1.17	0.92	Profit attributable to Shareholders	2.32

The value of goods exported from the UK in the first six months of 1979 including intra-group sales was £13.8 million.

Income and expenditure of overseas subsidiary and associated companies have been converted into sterling at the rates of exchange ruling at the end of each period. Reduction of the sterling values of the Holding Company's interest in overseas companies, arising from exchange fluctuations, has been excluded from the profit and loss account.

In the 1978 accounts, the Group adopted the new accounting standard on deferred taxation (SSAP 15), and this eliminates the necessity for deferred taxation on UK profits as it is not expected that taxation deferred by timing differences will be payable in the foreseeable future. The charge of £3.10m. in the first half of 1979 relates entirely to overseas taxation.

While these results show some needed improvement over those of 1978, progress has been hampered by the effects of external strikes: the lorry drivers strike followed by a prolonged dockers' strike at Immingham (which cut off supplies of one of the main raw materials), resulted in a small loss on the UK operation and the continued strike at the works of the supplier of sulphuric acid affected the Canadian profits. The strength of sterling nullified much of the benefit of improving export prices and depressed the value of overseas earnings.

Demand continues to be firm. However, the full effects of the oil price increases of early 1979 have still to work through into costs both in UK and overseas, and future selling prices will necessarily have to reflect this increase if the essential improvement in margins is to be achieved.

TIOXIDE GROUP LIMITED · 10 STRATTON ST · LONDON W1A 4XP
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